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Daily Report

China

**FBIS-CHI-89-157
Wednesday
16 August 1989**

Daily Report

China

FBIS-CHI-89-157

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General

Foreign Ministry Regrets Convention on Tibet

OW1608082589 Beijing XINHUA in English
0810 GMT 16 Aug 89

["Foreign Ministry Spokesman on So-Called New Delhi Convention on Tibet and Peace in South Asia"—XINHUA headline]

[Text] Beijing, August 16 (XINHUA)—The so-called international convention on Tibet and peace in South Asia recently convened and hosted by some Indian political personages in the Indian capital New Delhi constituted gross interference in China's internal affairs, a Chinese Foreign Ministry spokesman said here today.

This act seriously hurt the national feelings of the Chinese people and is prejudicial to the further improvement of Sino-Indian relations, the spokesman said in reply to a question requesting comment on the convention.

It is known to all that Tibet is an inalienable part of Chinese territory and that the Tibetan affairs are purely China's internal affairs, he said.

"We have noted that officials of the Indian Government and responsible members of the Indian ruling party and some other political parties reiterated on many occasions that it was inappropriate to hold such a convention, for Tibet is an autonomous region of China. However, the Indian Government failed to prevent the convening of the meeting, over which we express our regret," the spokesman said.

United States & Canada

Ambassador Han Xu Reviews His U.S. Mission

HK1608112389 Beijing ZHONGGUO XINWEN SHE
in Chinese 0908 GMT 16 Aug 89

[Report by reporter Xie Yining (6200 0001 1337): "Retrospection and Projection: Han Xu Talks About His Mission to the U.S. Over the Past 10 Years"—ZHONGGUO XINWEN SHE headline]

[Text] Washington, 15 Aug (ZHONGGUO XINWEN SHE)—Han Xu, the outgoing Chinese Ambassador to the United States, has agreed to a special interview with this reporter today, and talked freely about the experiences of his mission to the United States over the past 10 years. At the same time, he reflected and projected on Sino-U.S. relations. This was the first time Han Xu has agreed to an interview from any reporter for months. The points in the interview are as follows:

Reporter: When did you first come into contact with affairs of the United States?

Han: That happened on the afternoon of 1 October 1949. I delivered, under orders, the proclamation on the founding of New China to Consul General (Clubb) [Ke le bo 2688 2867 0590] of the Consulate General of the United States, Beijing. In July 1958, as Protocol Department director of the Ministry of Foreign Affairs, I went to the Nanyuan Airport to receive Dr. Kissinger, who was then on a secret visit to China. With the reciprocal establishment of the Sino-U.S. Liaison Offices in 1973, I was appointed deputy director of the Liaison Office in Washington until 1979. Later, I was appointed director of the Department of Affairs of the Americas and Oceania, and later vice foreign minister in charge of U.S. affairs. In May 1985, I was appointed ambassador to the United States, an office I have held to date. We could say that I have been in constant touch with the affairs of the United States since 1971.

Reporter: As a diplomat who has participated in the whole course of initiating and developing Sino-U.S. relations, could you please review the relations, and make some comparison between now and then?

Han: A rather long period was devoted to realizing the normalization of diplomatic relations between China and the United States, and the whole course took some 7 years between 1972 and 1979. However, fast progress has been made in the last 10 years since the normalization of Sino-U.S. diplomatic relations. Normal reciprocal visits between senior leaders of the two countries have been realized on an annual basis since 1984, and the channels of contacts between top echelons are open. Economically, trade volume between the two sides grew from 0 in 1972 to \$10 billion last year. The United States has become the chief investor in China and one of the latter's major trade partners, ranking third. The United States has now 330 investment projects amounting to \$3.4 billion in China. China has also become a major trade partner of the United States, ranking 13th. From 500 in 1978, the number of Chinese students studying in the United States has expanded to some 40,000 today. In 1988 alone, 300,000 U.S. tourists visited China.

Reporter: Could you comment on your relations with Americans of different circles as an ambassador?

Han: Generally speaking, the United States has set much store in its friendly relations with China, and there is a deep friendship between the Chinese and American people. During my term of office, I visited 40 states on invitation and delivered speeches on more than 240 occasions. The communication channel between me and the U.S. Government leaders has been well maintained, and I have also established ties with many congressmen. Although we are now in a difficult time, I have still managed to meet with quite a few cabinet members, congressional leaders, and congressmen before my departure. Some of these people were even present at farewell parties held in my honor. I have built up a very deep friendship with President Bush, who used to call on me with all his family every Christmas Eve. Former

Under Secretary of State Armacost and I got to know each other in 1974. He also called on me every Christmas together with his family. He invited me to a dinner at his home last April, just before his departure for Japan as the U.S. ambassador there. Old friends like Nixon and Kissinger held welcoming parties for me on my arrival here as ambassador and organized farewell parties when I was to leave. Recently, Nixon told me in a letter: You can continue to count on my support in the efforts to restore Sino-U.S. relations and to fulfill the goal which will enable the Chinese and American people to share political and economic interests.

Reporter: I will be very glad if you can tell me your expectation on the future development of Sino-U.S. relations.

Han: Sino-U.S. relations have just experienced a setback. But both sides believe that they should work together to restore and develop their relations. I have confidence in this for the following reasons: 1) As far as national security is concerned, China and the United States are no threat to each other. Both sides are working for world peace and stability, and they have more common concerns than differences between them. The maintenance of friendly ties between China and the United States is beneficial to both and has great influence on the world as well. 2) As far as economic relations are concerned, the United States, as the world's largest developed country, and China, as the world's largest developing country, can help supply each other's needs. There is a great potential for cooperation and development in this respect. 3) The Chinese and American people make up 29 percent of the world's population and there is a deep friendship between them. As for the timetable for restoration and development of relations, it depends on the U.S. side because it is the United States that is applying sanctions against China, which has infringed upon China's interests and dignity.

Reporter: What role do you think the United States can play in the settlement of the Taiwan issue, which has always been an obstacle to Sino-U.S. relations?

Han: As a consistent policy on the Taiwan issue we have put forth the idea of "one country, two systems, and peaceful reunification." In introducing "flexible diplomacy" or even "dual recognition," the Taiwan authorities are actually playing the old trick of "two Chinas" or "one China and one Taiwan" which will never work. We have noticed the remarks U.S. leaders had repeated on many occasions that the United States will hold to the policy of "one China," will adhere to the spirit embodied in the three Sino-U.S. communiques, and will endeavor to build an environment favorable to the establishment of ties between the two shores of the Taiwan Strait. Chinese leaders have also repeatedly pointed out that the United States can play a part in pushing for the reunification of China.

VOA Said To Have 'Severely Damaged' Ties
OW1508134389 Beijing BEIJING REVIEW in English
No 33, 14-20 Aug 89, pp 5-6

[Text] A number of fugitives from justice, including Yan Jiaqi and Wuer Kaixi who fled from China to other countries, are continuing their furious attacks on the Chinese government under the protection and with the support of the reactionary forces from the United States, Hong Kong and Taiwan.

The fugitives arrived in the United States from Paris to attend the so-called "first congress of Chinese students and scholars in the United States" in Chicago on July 28.

The Voice of America [VOA] has given enormous coverage and publicity to the three-day "congress." On July 31, it repeated reports time and again about the "congress" in its 30-minute news broadcasts.

It was also reported that the so-called "autonomous federation of Chinese students and scholars in the United States" was set up at the "congress" and a "declaration" aimed at the overthrow of the Chinese Communist Party and the people's government was adopted.

The "congress" also "called for imposing selective economic sanctions on China."

Yan Jiaqi, who had earlier vowed to "overthrow the Beijing government" at a Paris press conference, clamoured again at the "congress" that the "present Chinese government will surely collapse."

Wuer Kaixi claimed to "erect the statue of the goddess of democracy at Tiananmen Square one day."

It was reported that Wan Runnan, general manager of the Stone Company, and Li Lu, who is one leader of "the Beijing college students' autonomous federation" and who is on the wanted list, also attended the "congress."

According to a July 28 report released from Chicago by a special correspondent of the Taiwan-based United Daily News, most part of the funds for the "congress" came from "leaders of pro-Taiwan overseas Chinese."

"The overseas hostile forces from the mainland know clearly that they need money to do things and Taiwan is one of the long-term reliable sources of funds," the paper said, adding the "the mainland democrats have no reason not to receive the donations from pro-Taiwan overseas Chinese leaders. They of course understand the political implications of accepting such donations."

The paper also reported on the same day that after arriving in Chicago from Paris on July 25, Wuer Kaixi met and had a picture taken with Hsin-hsiung Cheng,

head of the Overseas Work Committee of Taiwan's Kuomintang. "Students from the mainland are talking about the matter," the paper said.

According to the paper, the meeting was arranged by Ying-yi Wu, president of the Taiwan Association of Fellow Countrymen in Chicago. Wu donated a large sum of money to the "congress" and appeared to enjoy the trust of the leading students at the "congress."

It was also reported that Yan Jiaqi, Wuer Kaixi, Wan Runnan, Su Shaozhi, Liu Binyan and others issued in Paris on July 20 a proposal to establish a so-called "front of democratic China" that advocates the overthrow of the socialist system in China.

According to the United Daily News, the "front of democratic China" had "profound discussions about how to contact the political forces in Taiwan in a careful and gradual way. In general, the organization would recognize all those who support the democratic movement in China as partners. Therefore, the money from pro-Taiwan overseas Chinese leaders may be accepted."

Wan Runnan, the so-called secretary-general of the "front of democratic China," even told the United Daily News that he could not rule out the possibility of his visit to Taiwan in the near future.

The Hong Kong-based Oriental Daily News reported July 30 that an organization in Hong Kong called the "Federation of Hong Kong Residents Supporting the Patriotic Democratic Movement" had allocated 1.2 million Hong Kong dollars to Yan Jiaqi, Wuer Kaixi and their company for their battle chest.

The Voice of America is the most active and open supporter of the fugitives in their attempt to overthrow the Chinese government. Over the past few days, anti-government speeches and activities of Yan Jiaqi, Wuer Kaixi and their like have been the main content of he VOA's Chinese broadcasts.

Not long ago the VOA twice broadcast a long interview with Wuer Kaixi that continued to spread the lie of "bloodshed at Tiananmen Square." By quoting Wuer Kaixi, VOA repeated the rumour that 3,000 people died at Tiananmen Square and tens of thousands of people died in the whole city of Beijing.

VOA also claimed that almost all the members of the pickets of the "Beijing workers' autonomous federation," or several dozens of people, were killed at Tiananmen Square. To this, however, Wuer Kaixi had to comment, "I myself didn't see this."

Observers in Beijing pointed out that no matter how loud Yan Jiaqi, Wuer Kaixi and other fugitives raise their hue and cry with the support of the reactionary forces from the United States, Taiwan and Hong Kong, and no matter what farcical show they knock together,

they will meet their doom. They have already failed in China. Neither will they succeed when they, after becoming traitors, rely on reactionary forces in the United States, Hong Kong and Taiwan.

VOA, an official propaganda machine of the United States, has wantonly interfered in the internal affairs of China when it used these fugitives to unbridledly advocate the overthrow of the government of the People's Republic of China. By doing so, the VOA had seriously hurt the national feelings of the Chinese people and severely damaged the friendly relations between China and the United States.

It is believed that by doing so, the VOA will ultimately lift a rock only to hit its feet.

Senator Rudman Says China Visit 'Worthwhile'
OW1608101889 Beijing XINHUA in English
0756 GMT 16 Aug 89

[Text] Washington, August 15 (XINHUA)—Senator Warren Rudman, the first U.S. congressman to visit China since early June, says his just-concluded trip to China was "worthwhile."

Appearing on CBS-TV's "This Morning" program, Rudman said "it's important that members of Congress go to places where things are hot, as well as where they are pleasant."

Rudman, who was in China between August 11 and 15, said that "the trip was a very good idea" and that he was "delighted" that he made it.

During the visit, the senator met with Wan Li, chairman of the Standing Committee of the Chinese National People's Congress.

He said that his purpose for going to China was to make sure that the Chinese Government understands that President Bush's policies are not only supported by members of Congress, but that Congress would act even more vehemently if any of the recent events there were to recur.

"We had a very frank and sometimes blunt dialogue," he said. "They were cordial, and I think they understood very clearly what I was saying."

He revealed that Wan Li indicated strongly that legislative sanctions against China by the U.S. Congress would constitute a gross interference in China's internal affairs and that China could not but react strongly. "And I understood that," he added.

Rudman's China tour came at a time when Sino-American relations appear to be steadily picking up. Secretary of State James Baker met with Chinese Foreign Minister Qian Qichen during an international conference on Kampuchea in Paris early this month.

The State Department last week allowed U.S. dependents to return to Beijing.

Rudman said that he discussed his trip in advance with high-ranking staff members in the White House and that they raised no objections.

Soviet Union

RSFSR Delegation Begins Heilongjiang Visit

Visits Exhibition, Memorial

SK1608032589 Harbin Heilongjiang Provincial Service in Mandarin 2100 GMT 13 Aug 89

[Text] A six-member delegation of the Ministry of Foreign Affairs of the Russian Soviet Federated Socialist Republic [RSFSR] led by (Vladimir Vinogradov), minister of foreign affairs of the RSFSR, arrived in Harbin by plane at noon on 13 August and began its 4-day friendly visit in our province. Vice Governor Chen Yunlin received the Soviet guests at the airport, and children presented fragrant flowers to all Soviet guests. The delegation is the highest ranking to visit our province in the last few years. During its visit in our province, the delegation will hold wide-ranging and substantive conversations with leading comrades of our province on friendly cooperation between our province and RSFSR. They will also go sightseeing.

On the afternoon of 13 August, the Soviet guests visited an exhibition displaying the prosperity and beauty of Heilongjiang and laid flowers on the Soviet Army memorial tower. The Soviet guests also toured Songhua Jiang River and Harbin City.

Holds Talks With Chen Yunlin

SK1608044189 Harbin Heilongjiang Provincial Service in Mandarin 0900 GMT 14 Aug 89

[Text] This morning, Vice Governor Chen Yunlin and responsible persons of the provincial departments concerned held talks with the delegation of the Ministry of Foreign Affairs from the Russian Soviet Federated Socialist Republic [RSFSR] on the issues of mutually developing friendly contacts in the cultural, educational, public health, and sports fields. Both sides agreed that it is of great significance in developing cooperation in the cultural, educational, public health, sports, and press fields between the RSFSR and Heilongjiang Province. Heilongjiang Province expressed hope that both sides would strengthen cultural exchange and send visiting art troupes to give performances. It also invited Soviet ice sculptors to participate in the Harbin ice snow festival. It also hoped that both sides would extensively carry out educational cooperation, exchange experiences in teaching as well as scientific management, exchange teachers, and establish ties in some institutes of higher learning and in middle schools.

In public health, our province chose to send doctors of acupuncture and moxibustion, massotherapy, deep breathing exercise, and traditional Chinese medicines to the Soviet Union to run medical clinics and to carry out cooperation in disease prevention, health care, emergency treatment, and in clinical cooperation. It also hoped that cooperation in the sports field, such as skating, ice hockey, wrestling, and boxing would be developed. In the press field, the province hoped that documentaries on local conditions and customs would be exchanged and that teams of cameramen would also be exchanged.

Delegation leader (Vinogradov) held that our province's suggestions were excellent and that all of them could be completely accepted. He added that both sides should also cooperate in the publication field.

The delegation of the Ministry of Foreign Affairs of the RSFSR also proposed the development of sports exchange in the border areas, such as mutually dispatching coaches. It also talked about the tentative plan on exchanging sports equipment. It also hoped that writers of both sides would develop cooperation in creative writing. Both sides signed cooperation plans and also invited the governor of Heilongjiang Province and chairman of the RSFSR [title as heard] to pay mutual visits.

Meets With Du Xianzhong

SK1608045389 Harbin Heilongjiang Provincial Service in Mandarin 1200 GMT 15 Aug 89

[Text] On 15 August, Vice Governor Du Xianzhong held talks on trade, tourism, and economic and technological cooperation with the delegation from the Ministry of Foreign Affairs from the Russian Soviet Federated Socialist Republic [RSFSR] led by (Vinogradov). With a sincere and friendly attitude, both sides introduced their own economic development situation and advantages in developing trade, tourism, and economic and technological cooperation, and exchanged plans on future cooperation.

Wang Chengzhi, secretary general of the provincial government, and Wang Yaochen, director of the provincial Foreign Affairs Office, and responsible persons of provincial-level departments concerned also participated in the talks.

On the evening of 15 August, leading comrades of Harbin City, including Li Genshen, Gong Benyan, Wang Liangzheng, Shan Rongfan, Li Jiating, and (Xu Maoshi) met with and feted the delegation of the Ministry of Foreign Affairs from the RSFSR led by (Vinogradov). After the meeting, the Soviet guests watched a literary and artistic performance presented by the provincial Song and Dance Theater and the provincial acrobatic troupe.

Heilongjiang Opens Ports to Soviet Ships

OW1608045489 Beijing Domestic Service in Mandarin
0930 GMT 9 Aug 89

[From the "National News Hookup Program"]

[Text] With the approval of the State Council, the three ports of Harbin, Jiamusi, and Fujin along the banks of Songhua Jiang in Heilongjiang Province were recently opened to Soviet ships with a view to developing foreign trade and transportation. In all, a total of 129 sea, land, and air ports are now open to the outside world.

Northeast Asia

DPRK Chinese School Delegation Visits Jilin

SK1608050989 Changchun Jilin Provincial Service
in Mandarin 0930 GMT 14 Aug 89

[Text] At the invitation of the Yanji City Returned Overseas Chinese Federation, a 40-member Chongjin City Chinese School student and teacher delegation led by (Chen Yuanso), vice chairman of the Overseas Chinese Federation of Chongjin City, the DPRK, came to our province on 3 August.

This school is one of the seven Chinese schools in the DPRK. Students in the delegation came from more than 10 cities and counties in the 4 provinces in Korea. This activity was well received by the Overseas Chinese in Korea and was actively supported by the Korean Government.

During its stopover in our province, the delegation visited Yanji, Jilin, and Changchun cities and was cordially received by the leaders of the local departments concerned wherever it went. The delegation toured places of historical interests and visited Jilin's (Yuren) Middle School, the school where Chairman Kim Il-song of Korea studied during his childhood, the Changchun No 1 Motor Plant, and the Changchun Film Studio.

The teachers and students of the delegation said that this was a very rewarding visit because they saw the secure and happy life of the people in Jilin Province and its flourishing construction projects. They said that in the future, they will make more contributions to promoting friendship between the people of China and Korea.

Southeast Asia & Pacific

Wu Xueqian Lauds Party Relations With Laos

OW1508161689 Beijing XINHUA in English
1405 GMT 15 Aug 89

[Text] Beijing, August 15 (XINHUA)—A senior Communist Party of China (CPC) official today expressed happiness over the agreement reached by the CPC and the Lao People's Revolutionary Party (LPRP) on the restoration of their relations.

Wu Xueqian, a member of the Political Bureau of the CPC Central Committee, extended his congratulations as he met with Thongsavath Khaykvam Puithone [name as received], Laos's first vice foreign minister and first deputy minister of liaison of the LPRP Central Committee, who is here on a week-long friendly visit.

Kaysone Phomvihan, general secretary of the LPRP Central Committee and chairman of the Lao Council of Ministers, will soon pay an official goodwill visit to China as guest of Chinese Premier Li Peng, according to Wu, who is also a vice premier. "That will be a major event in Sino-Lao relations," he said.

The Chinese side attaches great importance to Kaysone's visit and is willing to make proper preparations, "along with the Lao comrades, so as to make the visit a successful one," Wu said. He expressed the belief that Kaysone's visit will bring Sino-Lao friendship to a new phase.

Thongsavath said the Laos always remembers the help it has had from China. He also expressed satisfaction over his current visit.

As close neighbors, China and Laos have close relations, the Chinese vice premier said, adding, "Though bilateral relations once suffered some difficulties, that is now over."

China holds that among all nations, big or small, rich or poor, support and help should be mutual, Wu said. "We always believe relations between nations should be based on the Five Principles of Peaceful Coexistence, and all countries should seek common development on the basis of equality and mutual benefit."

Thongsavath asked Wu to pass on greetings from the Lao leaders to the Chinese leaders, particularly those from Kaysone to Deng Xiaoping.

Shandong Leader Meets Singapore Trade Official

SK1608042589 Jinan Shandong Provincial Service
in Mandarin 2200 GMT 14 Aug 89

[Text] On the afternoon of 14 August, Vice Governor Li Chunting cordially met with (Huang Mingguang), representative of the Singapore Trade Representative's Office in China at the Qilu Hotel in Jinan.

During the meeting, Vice Governor Li Chunting welcomed Representative (Huang Mingguang's) visit to the province and briefed him on the province's political and

economic situation. He expressed hope that economic cooperation between our province and Singapore would further develop.

Representative (Huang Mingguang) thanked Vice Governor Li Chunting for his welcome and gave a briefing on Singapore's political and economic situation. He was pleased with the development of economic cooperative relations between Singapore and Shandong Province and was optimistic about the prospects for future development.

Also present at the meeting were responsible comrades of the provincial Commission of Economic Relations and Trade, the provincial Foreign Affairs Office, and the provincial Commodity Inspection Bureau.

Representative (Huang Mingguang) arrived in Jinan from Beijing on the afternoon of 14 August. He will travel to our province's Tzian, Qufu, Qingdao, and other localities to study the economic, trade, cultural, and historical fields during his week long friendly visit.

Political & Social

Further on Li Peng's State Council Speech
OW1608060389 Beijing XINHUA Domestic Service
in Chinese 1420 GMT 15 Aug 89

[By reporters Chen Yun and Yang Guojun—"Local Broadcast News Service"]

[Text] Beijing, 15 Aug (XINHUA)—Li Peng, premier of the State Council, said today at a plenary meeting of the State Council: The economic situation in China from January to July was good, and the economy developed quite steadily during this period. The central economic tasks in the coming months will continue to be in three areas: to continue to stabilize commodity prices; strive for a good agricultural harvest, and ease contradictions between total supply and demand.

The central topic of today's plenary meeting was to report on the current economic situation and lay down plans for economic work in the coming months.

Premier Li said: The relatively steady economic growth in the first 7 months was demonstrated mainly in three areas: First, we avoided a sharp economic downside and maintained an industrial growth of 10.6 percent. Economic stagnation did not take place as predicted by some people. Second, we achieved good results in stabilizing commodity prices. The overall retail price level in the first half of this year increased 25.5 percent over the same period of last year. However, 18.5 percent of this price increase can be attributed to the impact of last year's price increases. The price increase this year actually only accounts for 7 percent. Prices of nonstaple foodstuffs, in particular, were quite stable. Prices of some nonstaple foodstuffs even dropped somewhat. Therefore, the people actually felt that the magnitude of the price increase this year was smaller than that of last year, and were quite satisfied with this. Third, agricultural production was better than last year. Production of summer grain totaled 93.55 million metric tons, 2.57 metric tons more than last year, constituting the highest summer grain production ever. Currently, autumn crops are growing well, although some localities were hit by serious disasters. If no serious disasters occur in the coming months, we can expect a good agricultural harvest this year.

Li Peng said: Judging from the situation in the first half of this year, we did not do a very good job in improving the situation of total demand exceeding total supply. First, our efforts to curb fixed asset investments did not yield the expected results. We planned to reduce this year's total social fixed asset investments by 20 percent compared with last year. However, actual fixed asset investments this year are about the same as last year. That is to say, we managed to prevent the level of investment from growing further. Second, consumption funds remained at a high level. They still grew at a rate of more than 20 percent, which is higher than the growth

rates of production development, national income, and financial revenues. The problems of high social consumption and unfair distribution were not solved. We still need to do a lot of work in controlling investment and consumption demands.

On economic work in the second half of this year, Li Peng said that the central work is in three areas: continuing to stabilize commodity prices, striving for a good agricultural harvest, and alleviating contradictions between total supply and total demand.

Li Peng reiterated that the general guiding principles for the work in the few months to come still remain the same: resolutely carrying out the policy of reform and opening up, and courageously and firmly carrying out the work of improving the economic environment and rectifying the economic order. The work of improving and rectification and the policy of reform and opening up do not contradict each other. The purpose of improving and rectification is to create a better environment and conditions for the implementation of the policy of reform and opening up. While improving the economic environment and rectifying the economic order, we should not only continue to carry out some measures concerning reform and opening up, but also deepen these measures.

In regard to stabilizing commodity prices, Li Peng said: We must by no means slacken our efforts in stabilizing commodity prices in the next few months. We should take more decisive measures to better control commodity prices. Without approval of the State Council, no one is allowed to raise prices under the state's control. All violators shall be sternly punished. Commodity prices under the control of localities and enterprises should be strictly followed, and an appropriate reporting system should be established. At the same time, we should widely motivate the masses to ensure that set prices and the established system are followed. Li Peng said: This year, in addition to the retail price index based on two sets of statistics—one indicating changes noted in comparing figures with the same period last year, and the other indicating new changes noted this year—we have created a new price index which is based on 47 kinds of daily necessities and services that staff and workers in urban areas have to pay for. This enables us to shift our central efforts in controlling prices to stabilizing prices of basic materials needed by families of middle and lower-middle income. Implementation of this new index shows that, compared with December of last year, the basic cost of living in cities and towns across the country increased an average of 1.4 percent, which is considerably lower than last year.

Li Peng stressed: Striving for a good agricultural harvest this year is an important step in stabilizing the overall situation. Currently, northern China, Shandong Province, and other localities should do a good job in fighting drought. Governments at all levels and departments concerned should do a good job in intermediate and

late-stage management of crops, in the supply of means of agricultural production, in making preparations for funds needed for agricultural procurement, and in providing needed services during and after agricultural production to make our hopes for a bumper harvest become true.

Speaking of alleviating contradictions between total demand and total supply, Li Peng said: We should pay special attention to two tasks. First, we should continue to curb the scale of fixed asset investments. The targets set at the beginning of this year must be achieved. Second, we should resolutely control the excessive growth of consumption funds. Banking and financial departments should continue to adhere to the principle of double retrenchment. They should do a good job in increasing production and practicing economy, and increasing revenues and cutting expenditures; strictly control institutional purchasing power; and tighten control over tax collection and management. In addition, they should take effective measures to solve the problem of unfair distribution.

Regarding industrial production work in the next few months, Li Peng said: The general demand is to guard against decline while striving to achieve appropriate growth. Departments concerned have estimated that this year's industrial growth rate will be about 10 percent. This growth rate is not a low one. The important thing is to maintain a steady and long-term growth. We should make reasonable adjustments in the production structure and product mix, and pay attention to the development of energy, transport, major raw materials, and other basic industries. Currently, many production enterprises have difficulty in securing funds and obtaining raw materials and energy. Some large backbone enterprises may have even more difficulties. Therefore, we should continue to improve production management, and adopt preferential policies on funds, energy, and transport in order to ensure normal operation of key industries, enterprises, and projects. We should also appropriate funds to solve the problem of debts among key enterprises.

Lately, comrades in many localities and departments have asked: How should we view the various measures of reform and opening up adopted in the past? Should we continue to carry out these measures? In answering these questions, Li Peng said: All measures for improving the economic environment and rectifying the economic order, and for reform and opening to the outside world that were adopted before the fourth plenary session and have been decided on by the party Central Committee, the State Council, or the National People's Congress should continue to be carried out. Some of these measures have been incorporated in regulations, rules, or laws. The "Enterprise Law" and its supplementary regulations; the practice of holding localities responsible for their own financial affairs, foreign trade, and foreign exchange earnings; the responsibility systems adopted by railways and coal-mining industries; and the contract

responsibility systems practiced by enterprises are some examples of measures that have been made into regulations and laws. Of course, all departments concerned should investigate and study problems that crop up in the course of implementing these measures, sum up experience, and promptly submit reports to the higher authorities. Reform measures that have not been widely implemented but have just been carried out on experimental basis may continue to be conducted on an experimental basis. At the same time, we should study some new areas in this regard.

Li Peng said: From now on, before major reform measures are adopted, we should work out scientific plans for the implementation of these measures. We should first carry out these measures on an experimental basis, and do well in the necessary propaganda and publicity work so that our reform can be carried out in an active, steady, and down-to-earth manner.

On the duration and goals for improving the economic environment and rectifying the economic order, Li Peng said: The State Council has decided that the State Planning Commission should take the lead in organizing and drafting a 3-year plan, inclusive of this year, to specify the targets to be attained in 3 years. This plan will be submitted to a plenary session of the party Central Committee for discussion and the next National People's Congress session for examination.

Li Peng also analyzed the current international situation. He said: Since the quelling of the counterrevolutionary rebellion in Beijing, an anti-Chinese tide has appeared in some Western countries. Although this created quite a shock around the world, its influence is only temporary and local. The overall global pattern remains unchanged. The two themes facing the world are still peace and development. The basic trend in the international situation of shifting from confrontation to dialogue and from tension to relaxation has not changed. This makes it possible for China to win for its modernization program a relatively long period of a peaceful international environment. Of course, we must also note soberly that factors that may lead to tension or even war have not been eliminated. The process of relaxation will be a long and tortuous one. Opposition against hegemonism and the safeguarding of world peace will be a long struggle. While making a proper assessment of the anti-Chinese tide by upholding our principles and standing up to pressure, we must also note that this situation is temporary. As long as China continues to uphold, as before, its independent foreign policy of peace and the policy of reform and opening to the outside world, its political situation remains stable, and its economy continues to develop, we will surely tide over the temporary difficulties and play a proper role in international affairs.

Gan Ziyu, vice minister in charge of the State Planning Commission; He Kang, minister of agriculture; Cheng Zhiping, director of the State Administration of Commodity Prices; and Lu Peijian, auditor general of the Auditing Administration, also took turns speaking at the meeting.

The plenary meeting was presided over by Premier Li Peng. Vice premiers of the State Council, including Yao Yilin, Tian Jiyun, and Wu Xueqian; State Councillors Qin Jiwei, Zou Jiahua, Li Guixian, Chen Xitong, and Chen Junsheng; and responsible persons of the various ministries and commissions of the State Council attended the meeting.

Li Peng Sends Telegram to Qiangdao Firefighters
SK1608125389 Jinan Shandong Provincial Service
in Mandarin 2200 GMT 15 Aug 89

[Text] Under the kind attention of the party Central Committee and the State Council and the correct command of the provincial and Qingdao City leaders, more than 3,000 firefighting shock team members fought bravely for more than 60 hours and finally won a decisive victory in putting out the fire at the Huangdao oil depot.

On 14 August, State Council Premier Li Peng and the provincial party committee and government respectively telephoned or sent messages of salute to commend and salute all personnel participating in the fire-fighting work at the Huangdao oil depot. Since leaving Tianjin and returning to Beijing on 13 August, Premier Li Peng has been very concerned about the fire situation at the Huangdao oil depot. After asking in detail about the wind direction and fire situation over the telephone, he called for continued efforts to promote an indomitable spirit and to exert all-out efforts to extinguish the remaining flames. He also once again saluted the cadres and policemen participating in the firefighting.

The provincial party committee and government also sent a message to express appreciation to firefighters at the Huangdao oil depot. The message of salute stated: After the explosion and fire at the Huangdao oil depot, the party, government, Army, and the people in Qingdao City took urgent action and exerted all-out efforts to participate in the firefighting struggle. The public security cadres, policemen, fire brigades, and officers and men of the People's Liberation Army displayed a heroic and indomitable spirit of fearing no sacrifice, fought bravely to extinguish the fire, and displayed a lofty patriotic zeal. The provincial party committee and government want to express heartfelt thanks and lofty respects to them, to extend cordial regards to those comrades who were injured honorably, to express deep condolences for those who heroically sacrificed their lives, and to express sincere regards to the victims' family members.

In the message of salute, the provincial party committee and the provincial government pointed out: So far, the big fire has been basically put out. But the hidden danger has not been eliminated. It is hoped that continued efforts will be made to promote the work style of fighting

ceaselessly, toward unremitting efforts to eliminate hidden dangers, and to strive to struggle to thoroughly eliminate hidden dangers and to restore production as soon as possible.

More on New Policies for Students

Outside Students To Train
HK1508034389 Hong Kong HONGKONG STANDARD
in English 15 Aug 89, pp 1, 3

[By Tammy Tam]

[Text] New students of Beijing University, including those from Hong Kong, Macao and overseas, will have to undergo a year's compulsory military training before they can start their four-year formal studies.

The decision of the State Education Commission has the blessing of the State Council and The Communist Party Central Committee.

It is an attempt to stamp out "bourgeois liberalism" among students.

Beijing University is the guinea pig of the scheme. If it proved successful, more than 2,000 institutes of higher learning would come under the military programme, an executive of Beijing University told THE HONGKONG STANDARD yesterday.

Beijing University, the most prestigious in the country, is regarded as the hotbed of the student movement.

Students of the university led the historic May Fourth Movement 60 years ago.

Its students were among the first and the most active participants in the recent student-led pro-democracy movement of mid-April to early June.

Director of the Recruiting Office of Beijing University, Mr Lu Yongling, said Hong Kong and Macao students would not be exempted from the military training.

"The university recruits two or three Hong Kong or Macao students each year. They receive the same treatment as mainland students which means they should take part in military training as well," said Mr Lu.

"In fact, some of them have undergone compulsory short-term military training as other students in the past few years."

College students are usually required to undergo 50 days of military training on campus during the second term of the first year. Hong Kong and Macao students are also required to undergo such training.

But Mr Lu said Hong Kong students did not do too well this year.

"Fewer Hong Kong candidates applied to Beijing University due to some negative propaganda of recent events. Moreover, their marks in this year's National Entrance Examination are not very good. It is highly likely that no Hong Kong student will be recruited this school year," he said.

The examination officer of the Hong Kong Examination Authority, Mr Mok Wing-kwong, yesterday said the number of Hong Kong students applying to Chinese universities had dropped significantly this summer.

The local authority holds entrance examinations on behalf of Chinese education authorities for Hong Kong students applying to several universities in Beijing, Shanghai and Guangzhou, which have the right to recruit local students.

"There were hundreds of applicants in the past few years but only 83 took part in the examination this June ... it may be due to the June turmoil in Beijing as we were not told students to Beijing University had to receive military training when we organised the exams," said Mr Mok.

"However, due to Beijing University's strict criteria, normally only very few Hong Kong applicants could be recruited. Nevertheless, this year's result is not yet known," said Mr Mok.

Mr Lu of Beijing University said: "All first year students will be sent to the Shijiazhuang Army Officers Institute for a year's political and military training.

"If the programme works, similar measures will be extended to other universities." Mr Lu admitted his university was chosen because many of its students were involved in the "counter-revolutionary turmoil" two months ago.

"Bourgeois liberalisation among students is getting serious," he said.

The most wanted student leader, Wang Dan, was a first year history student at the university.

The military institute in Shijiazhuang, capital of Hebei Province, is about four hours by bus from Beijing.

It is one of the most prestigious army training institutes under the administration of the Central Military Commission.

"Leaders of Beijing University and the military institute have discussed appropriate courses for the 800 first year students who will go to Shijiazhuang directly in October when the new semester begins," said Mr Lu.

An official of the Student Department of the State Education Commission, who refused to be named, said it was the State Council and the Central Party Committee that chose Beijing University as the forerunner of the programme.

"It is partly because of the university's role in student movements and partly because it is a prestigious university, so its students should receive stricter training," said the official.

"Moreover, there are fewer first year students this year in Beijing University. It will be easier to manage," he said.

"As for Hong Kong students, basically they should take part in whatever activities mainland students take part in. But we will inform Hong Kong applicants since they did not know about this arrangement when they applied.

"If anyone wishes to change to other colleges to avoid military training (to save a year's study) we will try our best to meet their requirements," he said.

The official admitted the government had to invest more money for the plan and leaders of many colleges harboured very different opinions on the controversial plan.

"That is why we are experimenting first. There are many arguments and some think it a waste of time to have such a long military training."

Officials said the students would train together with those of the military academy—wearing army uniforms, have the same drill, practise certain weapons, and would be given political and cultural classes.

General courses will include Chinese, English and mathematics.

Reopening Dates

HK1608001489 Beijing CHINA DAILY in English
16 Aug 89 p 1

[By staff reporters Liang Chao and Zhang Ping]

[Text] Several colleges in Beijing which closed early for summer recess because of the unrest opened this week for the new term.

During these opening weeks, students will take "political education sessions," said an official from the State Education Commission.

At the same time, he added, students will take regular classes to make up for work missed during the unrest.

The People's University, one of China's most prestigious schools, began the new term on Monday. And according to Li Zhaoqiong, deputy Party secretary of the university, 94 percent of the students have returned to school.

Li said this year his university will enroll 1,700 students, 400 less than originally planned. Similar study sessions are scheduled at Qinghua University, which opened Monday.

An official from the Party committee of the Beijing University told CHINA DAILY that his university will open on October 14.

He refused to explain the reason for this delay.

The university will enroll 811 freshmen, he said.

According to yesterday's PEOPLE'S DAILY, since July 31, Beijing Medical Science University, Beijing Science and Engineering University and Beijing Space and Aviation University have all reopened.

China University of Political Science and Law and Beijing Normal University will open reportedly on August 25.

Donations to Beijing Students Federation Seized
HK1508142089 Beijing ZHONGGUO XINWEN SHE in Chinese 1312 GMT 15 Aug 89

[Report: "Huge Amount of Donations to the Beijing College Students Autonomous Federation Found and Confiscated in Chengdu"—ZHONGGUO XINWEN SHE headline]

[Text] Chengdu, 15 Aug (ZHONGGUO XINWEN SHE)—A huge amount of money donated to the Beijing College Students Autonomous Federation, which was secretly moved to Chengdu, was recently discovered and seized by the police in Chengdu. The donations, amounting to 216,000 yuan, were taken to Chengdu and hidden there by Li Hongyu, a student of Beijing Teachers University from Chengdu, who enrolled in 1987. Li was sent back to Beijing on 6 August for further interrogation.

On 30 July, the police in Chengdu City received a notice from Beijing and learned that Li had brought a huge amount of money and secretly returned to Chengdu. The police arrested Li on the same day and searched the house of Li Ming, Li Hongyu's boyfriend and a student of the Automation Department of Qinghua University enrolled in 1987, finding the cash.

According to the confession by Li Hongyu, the huge amount of money was part of the donations received by the Beijing College Students Autonomous Federation in Tiananmen Square prior to 18 May. Receiving permission from Liang Jingguo, a backbone member of the student autonomous federation, Li Hongyu and her boyfriend Li Ming brought the money to Chengdu and hid the money in Li Ming's house.

At present, the public security organ in Beijing is investigating further into Li Hongyu's case.

October Deadline Set for Officials' Confessions

Court Holds News Conference

HK1608002289 Beijing CHINA DAILY in English 16 Aug 89 p 1

[By staff reporter Chang Hong]

[Text] State employees involved in embezzling, bribery, speculation or any other corrupt practice have until October 31 to turn themselves in. After that date, say representatives of China's two highest judicial bodies, they are no longer eligible for what is termed "lenient punishment."

At a press conference yesterday, held jointly by the Supreme People's Court and the Supreme People's Procuratorate, a seven-point plan was unveiled following a "decision of the latest session of the Politburo of the Chinese Communist Party and relevant laws and regulations," a judicial figure said.

During a meeting of the Politburo, July 27-28, newly-elected members and other ranking Party and government officials determined the means to punish corrupt officials.

Lin Zhun, Vice-President of the Supreme People's Court told reporters on Tuesday that setting the deadline was a preliminary but major step.

He said those who surrender themselves to the authorities and turn in their illicit earnings will receive a lighter sentence than those who are discovered after the deadline. Even those whose crimes merit a death sentence will receive lenience.

As the criminal code stands now, the penalty for embezzling 50,000 yuan (\$13,500) or more ranges from 10 years in prison to execution, depending on the seriousness of the case.

Lin said recently, courts sentenced an average of 10,000 embezzlers and 1,000 bribe-takers to prison terms every year.

And last year, the courts sentenced 111 people convicted in more serious corruption cases to life sentences or the death penalty. (This figure includes those whose executions were suspended.)

Lin said, "We hope the people who committed such crimes will treasure this opportunity (to receive lenient treatment) and repent and take a new lease on life."

"Those who stubbornly refuse to confess will eventually get severer punishment," he added.

The announcement issued Tuesday noted that those who fail to turn themselves in before the deadline and who destroy evidence or conspire with others to elude justice or take flight will be punished severely.

These provisions apply as well to state officials who profit by using their positions to influence business deals.

Meanwhile, Feng Jinwen, Deputy-chief-procurator of the Supreme People's Court said the fight against corruption was a long-term task.

"Only with the motivation of the whole Party and the participation of the whole people, can corruption be eradicated," he said.

Overview of Notice

OW1508144489 Beijing Domestic Service in Mandarin
0930 GMT 15 Aug 89

[From the "National Hookup" program]

[Text] The Supreme People's Court and the Supreme People's Procuratorate today issued a notice to the effect that criminals who have engaged in embezzlement, bribe taking, and speculation should surrender and confess their crimes within a set time limit.

The notice says: Resolutely cracking down on corruption and struggling against embezzlement, bribe taking, speculation, and other serious economic crimes are important tasks laid down by the 4th Plenary Session of the 13th CPC Central Committee, as well as a matter of general concern to the people. It is imperative to strike severely at serious economic crimes. In order to give criminals an opportunity to confess and to severely punish those criminals who stubbornly refuse to repent their crimes, the following announcements are made in accordance with the proposal of the plenary session of the Political Bureau of the CPC Central Committee held on 27 and 28 July 1989 and the stipulations of the related laws:

1. State functionaries who commit crimes of embezzlement, bribe taking, and speculation; people in charge of enterprises and establishments, government offices, and organizations who commit crimes of embezzlement, bribe taking, and speculation and who are directly responsible for those crimes; and other personnel with direct responsibilities should surrender and confess their crimes to the procuratorial organs, public security organs, people's courts, other departments concerned, or their own units, starting from the date of the issuance of this notice until 31 October 1989, in order to be eligible for lenient treatment.

2. Within the aforementioned time limit, those who surrender and actively return their spoils and those who perform commendable deeds by exposing other criminals will receive lenient treatment in accordance with the

stipulations of Articles 63 and 59 of the Criminal Law. In these cases, those who committed exceptionally severe crimes and deserve the death sentence according to law may be given light or mitigated punishment, or they may be exempt from the death sentence. Those who committed fairly serious crimes and deserve harsh punishment according to law may be given light or mitigated punishment, or they may be exempt from punishment. Those who committed fairly minor crimes and deserve light punishment according to law may have their punishment mitigated or exempted. Those who confess all their crimes and actively return their spoils after coercive measures are taken against them, or those who perform commendable deeds by reporting on other criminals, will receive lenient treatment as is deemed fit, in accordance with the above stipulations.

3. Those who refuse to surrender and confess their crimes within the set time limit mentioned above; those who destroy evidence and transfer spoiled funds and articles to other places; those who have established connections among themselves and promised not to give each other away; or those who have fled for fear of punishment and refused to turn themselves in shall be severely punished according to law.

4. Anyone who knows or understands the situation of a crime is obliged to report the crime to judicial organs or departments concerned. Informers shall be protected according to law. Those who demonstrate meritorious service by exposing and reporting on the crime shall be rewarded. Those who obstruct, threaten, or retaliate against law-enforcement personnel, informers, and witnesses shall be severely punished according to the stipulations of Article 157 of the Criminal Law concerning the crime of obstructing the performance of public duty, or the stipulations of Article 146 concerning the crime of retaliation or frame-ups. Those who take the opportunity to fabricate facts to make false accusations against and frame other people shall be severely punished according to the stipulations of Article 138 of the Criminal Law concerning the crime of making false accusations and frame-ups.

5. It is strictly prohibited to intercede for and shield lawbreaking and criminal elements and offer protection to them out of personal interest. Those who protect and harbor criminals shall be severely punished according to the stipulations of Article 162 of the Criminal Law concerning the crime of protecting and harboring criminals. Those who conceal or destroy evidence of crimes for criminals or who produce or create false evidence shall be severely punished according to the stipulations of Article 148 of the Criminal Law concerning the crime of giving false evidence.

6. Provisions in Section 2 of this notice are also applicable to other economic criminals who are not mentioned in Section 1 of this notice, who surrender themselves and confess their crime, and who perform commendable deeds for exposing other criminals within the set time limit of this notice.

7. Provisions in Section 2 of this notice are applicable to criminals whose cases of embezzlement, bribe taking, speculation, or other economic crimes are being investigated after the issuance of this notice and who are shown to have surrendered, made confessions, and performed commendable deeds by exposing other criminals.

Public Reports Assist Corruption Prosecution
HK1508051289 Beijing CHINA DAILY in English
15 Aug 89 p 1

[By staff reporter Chang Hong]

[Text] Procuratorial organs across the country are intensifying their fight against crimes by Party and government officials, as more and more cases of alleged corruption are being exposed by the public.

During the first half of this year, corruption-reporting centres throughout China received more than 172,000 tips from the public about alleged corruption, an increase of 16 per cent over the latter half of last year, a judicial official with the Supreme People's Procuratorate told CHINA DAILY yesterday.

Last year, procuratorates and the government's supervisory bodies established centres where the public could report official misdeeds by telephone, letter or personal interview. For procuratorial organs alone, a network of 3,006 such centres has been formed.

With the help of the information provided, prosecutors concluded more than 2,500 embezzlement and bribery cases out of the 6,500 such cases they filed in the first half of this year. At least 1,300 people were prosecuted and courts sentenced 542 to prison.

Of the 172,000 charges of corruption reported to the network, 39 per cent involved embezzlement and bribery, and 28 per cent involved Party and government officials.

Some 22,000 officials—five were at the provincial or ministerial level and 341 were bureau heads—were accused by informers of embezzlement and bribery.

In addition, 681 people turned themselves in to the procuratorial bodies, confessed their wrongdoings and handed in 6.4 million yuan in illicit earnings.

Meanwhile, the official said, the procuratorial organs are taking measures to protect informers and punish those who retaliate upon them.

Rules governing the corruption-reporting system that were announced in early January by the Supreme People's Procuratorate specify that any one who takes revenge through illegal means will face criminal charges and that informers whose reports prove accurate are to be rewarded.

In June, the People's Congress of Guangdong Province approved a law on the protection on citizens who make reports. The provincial law, the first and only of its kind in China, requires that reporting centres of procuratorial and supervisory bodies keep information about informers confidential and that those who take revenge pay compensation for any damage done to the welfare and reputation of the informers.

XINHUA Cites Provincial Corruption Cases
OW1408184489 Beijing XINHUA in English
1423 GMT 14 Aug 89

[Text] Beijing, August 14 (XINHUA)—The Ministry of Public Security recently circulated a notice revealing four cases of corruption and calling for a thoroughgoing cleanup of the phenomenon of corruption in order to bolster public security.

The notice also calls for the organs of public security at all levels to seriously look into all criminal cases, especially serious cases of corruption. It appeals to all police officers to be upright and honest.

According to the notice, Zhang Mayun, a policewoman in charge of local household registration in Guangzhou, capital of south China's Guangdong Province, took more than 210,000 yuan in bribes from 1984 to April 1988 to allow rural people to register illegally in the city.

Zhang was sentenced to death June 19.

Also, Wang Decai, deputy secretary of the Jianyang Prefectural Committee of Politics and Law and director of the prefectural Department of Public Security, was arrested July 30 for taking over 40,000 yuan in bribes and for extorting money from Hong Kong businessmen.

In addition, Song Meiying, chief of the section in charge of household registration at the Linyi City Bureau of Public Security, has also been found guilty of accepting bribes.

The bribes included 150,000 yuan in cash, three refrigerators, three color TV sets, two video recorders, six radio recorders, one air conditioner, four sets of expensive furniture and 2,900 bottles of Chinese and foreign liquors and wines.

Another such criminal, immigration official Fang Yiqiang, took a total of 100,000 yuan in bribes from persons whom he helped to leave the country illegally.

Fang was arrested March 19.

Commentator Urges Greater Awareness of Corruption
HK1308073489 Beijing JIEFANGJUN BAO
in Chinese 31 Jul 89 p 1

[Commentator's article: "Face the Corruption Phenomenon Squarely; Grasp the Building of Clean Government Tightly"]

[Text] Resolutely fighting corruption is one of the four major tasks that the 4th Plenary Session of the 13th CPC Central Committee assigned to the whole party, and it is no doubt a major task that the Army has to accomplish as well. Recently the CPC Central Committee and the State Council decided to carry out seven tasks in the near future as a step toward developing clean and honest government. This shows the determination of the party and the government to fight corruption, and it serves as a good example for us. It is of great significance to the enhancement of morale of the party and the people; to the prospects of our party; and to the success of the reform, the opening-up process, and the modernization program all led by the party. Conscientiously implementing this decision and greatly enhancing our understanding of the importance of the struggle against corruption as an urgent task are essential to the accomplishment of this major task and to the improvement of party style featuring the development of clean and honest government.

How should we evaluate the standard of honesty of our party members and cadres? As far as this is concerned, some leading cadres have always emphasized the positive side, but played down the existing problems and their harmfulness. They are of a view quite different from that of the masses. So, in some units, people are overanxious for change, or the responsible persons have failed to take effective measures to solve the existing problems, as they have not seen the urgent needs. To be honest, one would have to be divorced from the realities of life if one exaggerated corruption and underestimated the prevalence of honest and clean government as a main trend. However, it could be still more harmful if one ignored the serious situation and tried to play down the existing problems, or aired groundless optimistic views. For the time being, the key issue is that people have not realized the seriousness of different corrupt phenomena, or they are just indifferent to them, and they have therefore failed to fight hard against the anomalies. That is the reason why little progress has been made or even no action has been taken to develop clean and honest government, despite all-out propaganda. And the masses are very discontent with this. To face the issue squarely is a precondition for the resolution to the problem. If we cannot recognize corrupt practices or if we just turn a blind to them, how can we claim we are resolutely fighting corruption?

The Army is not living in an isolated state. The moral standard of the Army as a part of society reflects in a certain way the party style and the general social mood. Wholeheartedly serving the people is our Army's motto,

and justice and honesty are its tradition. Being honest in performing official duties and exercising strict self-discipline, leading cadres at all levels and the vast majority of party members and cadres working with leading organs have withstood all severe tests of the reform and opening up. There is no doubt that the great successes that have been achieved in the reform and building of the Army over the past 10 years should be attributed to the self-discipline, honesty, and hard work on the part of the vast number of party members and cadres. However, we should also be aware of the fact that some people have failed to withstand the temptation of money and material comforts, while some units have failed to curb corruption in the process of reform and opening up. For instance, some people have sought material comforts, indulged in extravagance and waste, built deluxe houses, and persisted in demanding more and more gorgeous interior designs; some units keep on buying imported limousines despite repeated bans by the central authorities; and the practices of giving banquets and presenting gifts at public expense continue even though they are banned by regulations. Some people have sought personal interests through power, asking for preferential treatment for their relatives, children, and acquaintances in terms of job assignments, promotion, conscription, and school enrollment. Some units and departments which have money or goods at their disposal have been derelict in their duties and been involved in trading power for money—"they refuse to provide service if they are not offered any benefits; but will easily appropriate funds to anyone who promises them benefits." Meanwhile, cases of economic crime, such as illegal purchase and resale, corruption, and bribery, have been on the rise in recent years. Although these corrupt practices have involved only a few people, they have spoiled the Army's image among the masses and undermined the fine tradition of both the party and the Army. Therefore, we must make up our minds to seriously deal with these phenomena and do away with all the destructive factors, so as to ensure the smooth progress of the modernization of the Army.

As a negative example, the recent incident, which stemmed from student unrest, developed into turmoil, and finally turned out to be counterrevolutionary rebellion, has shown us that it would be extremely dangerous if we failed to notice the highly harmful political consequences of corrupt phenomena. Why were there so many people involved in this storm stirred up by an extremely small number of people? One of the main reasons was that a handful of people took advantage of the masses' strong hatred for corruption. Comrade Chen Yun pointed out long ago: The party style of a ruling party has a bearing on the fate of the party and the state. His remark came right to the point. We certainly must fully realize the extreme importance of honest and clean government and take effective measures to promote it as a step toward the complete victory of the present political struggle, in the hope of ensuring perpetual political stability in this country.

Deng Xiaoping on Virtues of Marxism-Leninism
HK1608100089 Beijing RENMIN RIBAO in Chinese
16 Aug 89 p 1

["Marxism-Leninism Must Be Integrated With China's Actual Situation (17 November 1956)" by Deng Xiaoping —reprinted from QIUSHI No 16]

[Text] A QIUSHI magazine editor's note says: This article has been selected from the "Selected Works of Deng Xiaoping (1938-1965)," edited and published by the party Literature Editorial Committee under the CPC Central Committee. This is the answer provided by Comrade Deng Xiaoping to the first question raised by the members of an international youth delegation on 17 November 1956. The article is still of great immediate significance when read today. It is published here ahead of schedule with the concurrence of the party Literature Research Center under the CPC Central Committee. [end editor's note]

Friends have asked: What is the meaning of being a Chinese Communist Party member, and who decides what classical principles of international communism are suitable for China?

If you friends would like to thoroughly understand this, you should look at the party Constitution adopted by the Eighth CPC National Congress. Two chapters of the Constitution—the General Program and Membership—will answer this question. The "report on revising the party Constitution" may also answer this question. The meaning or task of a Chinese Communist Party member can be summarized in the following two way: Serve the people wholeheartedly and consider the people's interests as the highest standard of each party member. The aim is to realize socialism and communism. According to Marxist - Leninist principles, China must complete bourgeois democratic revolution first, as its democratic revolution of the past has not been completed. After completing the democratic revolution, it must build socialism and develop from socialism to communism in the future. By doing so, it will be possible to guide the Chinese people to enter a society which is completely devoid of exploitation and oppression and to build a happy life of communism. All this is the meaning or task for China's Communist Party members. There are 11 million members in the Chinese Communist Party. Not all, nor the great majority of, party members have met this standard. The party's task is to help party members raise their awareness step by step and become Communists worthy of the name, both ideologically and in action. The Communist Party of China regards this task as its own regular task. Within the Communist Party of China, many of the party members are from peasant families. Not long after the founding of the party, a large number of peasants joined the party. They joined the party to oppose imperialism and feudalism and to obtain land. It may be said that all this was a claim for democratic revolution. It was not a claim for socialism in the first place. For example, the claim for cooperative

transformation of agriculture is gradually made through education and training. Right now, most of the peasants clearly seek to take the socialist road and organize cooperatives. Therefore, it is impossible for Communist Party members to measure up to their standards in one fell swoop. First, a Communist Party member is an ordinary person. Second, he is an advanced element among the ordinary people. However, there are Communist Party members who are more backward than ordinary people.

Who decides what classical principles of international communism are suitable for China? The Seventh CPC National Congress set the principle of integrating the universal truth of Marxism - Leninism with the concrete realities of the Chinese revolution 11 years ago, and used it to guide China's revolution and its construction. This principle was summed up by our party and Comrade Mao Zedong on the basis of the experiences of success and failure in the course of revolution in the past, and was reaffirmed by the Seventh and Eighth CPC National Congresses. Naturally, this is only a principle. We still face many concrete problems when we apply this principle. A nation's problems are many sided. Either in the period of revolution or in the period of construction, how to integrate Marxism - Leninism with the concrete situation in various periods is an issue that we must continuously tackle. This issue should be discussed and decided by the party congress. When the party congress is not in session, the issue should be discussed and decided by the Central Committee. Even when the issue is decided, it still requires party members who are good at tackling it in the course of doing their actual work. First of all, we must help the tens of thousands or hundreds of thousands of backbone cadres to understand this principle. Only then will it be possible to implement it.

The universal truth of Marxism - Leninism must be integrated with the concrete realities of one's own country. These words themselves constitute a universal truth. This encompasses two aspects. One is called universal truth, and the other is called integration with the realities of one's own country. We have always maintained that it is no good to neglect either side. As far as the CPC is concerned, there is one universal truth: to eliminate feudalism and capitalism and to realize socialism. We also need to realize communism in the future. Can we refuse to take the socialist road? No, we cannot. If we do not adhere to this universal truth and realize socialism, then there is no need for the People's Republic of China and the Communist Party of China to exist. However, how can China eliminate feudalism and capitalism and realize socialism and communism rapidly? We must study the characteristics of our own country. We will not be able to adhere to this universal truth if we blindly copy whatever is foreign without considering the characteristics in our country. You friends have heard briefings about the socialist transformation of China's capitalist industrial and commercial establishments in various localities. This involves the issue of integrating the universal truth with China's

realities. The universal truth is to eliminate capitalism and exploitation and realize socialism. Without adhering to this universal truth, the socialist transformation of capitalist industrial and commercial establishments will be out of the question. That means that we take the capitalist road instead of the socialist road. This is one view. On the other side, Lenin thought about the road we have taken today in transforming the capitalist industrial and commercial establishments, but was unable to put it into practice. We have used the method of transforming capitalist industrial and commercial establishments through peaceful means. Experience proves that by doing so, our production has not been undermined, but developed. This has eliminated capitalism and, at the same time, educated the bourgeoisie. This is a fairly good method. If the universal truth is not integrated or not well integrated with China's realities, we will suffer great losses. We face a similar problem in carrying out socialist transformation of agriculture and in other fields.

On the issue of integrating the universal truth with the concrete realities, our party has suffered many setbacks. We have always stressed the need to oppose subjectivism. There are two aspects in opposing subjectivism: to oppose dogmatism and empiricism. Dogmatists only know Marxist - Leninist phrases and words. They do not apply them while taking into consideration the actual conditions. They have caused failures and setbacks in China's revolution. Empiricists only view some concrete practices and the experience in one country or one locality during a certain period. They fail to see the Marxist - Leninist principles. We oppose both of these occurrences.

I would like to tell our friends about one more point. Our experience shows that it is not easy to integrate universal truth with concrete realities. The Communist Party of China has also often committed mistakes. However, we pay attention to and study the reason or reasons for any mistake we make, and promptly make a correction. Chairman Mao said: Men should wash their faces and clean their houses every day. The party is no exception. It must regularly correct its mistakes. I myself often commit mistakes. Everyone is the same. Chairman Mao often said that he committed mistakes frequently. However, we all know that he committed less mistakes than we did. All people make mistakes. There is not a single person who has never made a mistake.

Article Accuses Zhao of Encouraging Privatization
OW1308090089 Beijing XINHUA Domestic Service
in Chinese 1335 GMT 7 Aug 89

["Local Broadcast News Service"]

[Text] Beijing, 7 Aug (XINHUA)—Recently both "BEIJING RIBAO" and "JINGJI CANKAO BAO" published an article by Wu Shuqing, vice president and economics professor of the People's University of China,

entitled: "Uphold the Socialist Orientation of Reform and Opening to the Outside World—Also Commenting on the 'Privatization' Opinion Encouraged by Comrade Zhao Ziyang."

Commenting on "the two kinds of opposite viewpoints on reform and opening up," the article points out: Reform and opening to the outside world make up an important component of the line, principles, and policies formulated at the 3d Plenary Session of the 11th CPC Central Committee and a major part of the party's basic line. If the fact that "only socialism can save China" is described as a necessity testified by the development of China's recent and modern history, then the need to take the road of reform and opening to the outside world in building socialism can be viewed as another necessity borne out by China's historical development over the past 4 decades. It must be noted, however, that reform and opening to the outside world have become a historical necessity and a road to make China a strong country because they mean the self-improvement and development of the socialist system. For this reason, the reform and opening up that we must firmly carry out must and can only be in line with our adherence to the four cardinal principles. That is, it must be led by the party and government and guided by Marxism-Leninism-Mao Zedong Thought with the improvement and development of socialism as the task and goal. The "reform and opening up" advocated by those advertising bourgeois liberalization is "reform and opening up" that does not pay attention to socialist orientation. It is not a road that will make China a strong country; on the contrary, it is a road that will lead China to extinction. This is because if China does not take the socialist road, then it can only be a vassal to Western countries, and in the end, will fall under the control of the monopolist forces of international capitalism. In that situation, it will be no easy task to achieve development even if it wants to do so. A major mistake made by Comrade Zhao Ziyang is that he separated reform and opening up from the four cardinal principles and counterposed them. Because he departed and gave up the four cardinal principles and connived at, encouraged, and supported bourgeois liberalization, it was impossible for him truly to adhere to socialist orientation in implementing the principle of reform and opening up put forward by Comrade Deng Xiaoping.

From the basic Marxist viewpoint, the article analyzes the question of whether it is necessary to uphold public ownership as the dominant system. It points out: The two diametrically opposite "views on reform and opening up" find many expressions. The primary expression is centered on the fundamental question of whether it is necessary to uphold public ownership as the dominant system. The fundamental distinction between the socialist and capitalist systems lies in their economic bases, and is primarily epitomized as the difference between socialist public ownership and capitalist private ownership. Accordingly, in an attempt to change the political orientation of reform and opening up, efforts are naturally focused on negating public ownership and advocating privatization as the first step.

The article states: Privatization advocates have a series of theories and strategies. These may be summed up as follows: First, they use the criterion of productive forces [using productive forces as a criterion to judge all work] as a pretext to deny the difference between "capitalism" and "socialism so as to deprive reform of its political orientation. Second, they advocate the "identity theory" [qu tong lun 6395 0681 6158] to obscure the difference in essence between socialism and capitalism. Third, while negating the place held and the role played by the ownership system in economic activities, they advocate that the ownership system should be reformed and reestablished to meet the needs of the commodity economy. Fourth, they distort the meaning of public ownership and negate that public ownership is the economic basis of socialism. Fifth, they use the changes in productive forces as a pretext to negate that the appearance of public ownership is a historical necessity. Sixth, they use the necessity for defining the relations of property ownership as a pretext to advocate the magic power of private ownership and negate the role of public ownership.

After making a detailed analysis of the series of viewpoints advertised by advocates of the privatization theory, the article points out: Privatization advocates have not come up with presentable theories or proofs. They have only rigged up a set of theoretical viewpoints by seeking the aid of games of terminology, apparently correct but actually wrong statements, and shallow inferences based on the apparent state of matters rather than an in-depth analysis of their essence (for instance, the allegation that "objects owned by the public are always worn out faster than private belongings"). The reason that these theoretical viewpoints prevailed for a time is not because they provoked deep thinking. Instead, it is because Zhao Ziyang and other bourgeois liberalization connivers and advocates within the party allowed these viewpoints to spread under such slogans as "ideological emancipation" and "not opposing liberalization in the economic field," while suppressing and attacking those comrades who adhered to the Marxist stand.

Li Tiesing Conference Speech Criticizes Zhao
OW1608131689 Beijing XINHUA Domestic Service
in Chinese 1203 GMT 16 Aug 89

[*"Local Broadcast News Service"*]

[Text] Beijing, 16 Aug (XINHUA)—The No 16 Issue of QIUSHI published today [16 August] carries a full text of Comrade Li Tiesing's speech at a national conference of institutes of higher learning, entitled: "Higher Education Must Adhere to the Socialist Orientation."

The article emphatically points out: Education has an undeniable class character. Under any kind of social system, students are invariably educated in and influenced by its ideology. Our education must adhere to

socialist orientation, educating students in Marxism-Leninism-Mao Zedong Thought and persisting in conducting ideological and political work among the students to train them to become successors to socialism.

The article says: During the recent period, there were indeed a few people who were not clearly aware of this issue, or were even muddleheaded about it. In implementing the principles of teaching, these people, instead of attaching primary importance to a firm political orientation and upholding the standard of all-around moral, intellectual, and physical development, put intellectual education above anything else, thus weakening the ideological and political education focused on socialism and communism. Why did this happen? In addition to the influence of a Western ideological trend in education, it was caused by Comrade Zhao Ziyang, who, as the principal leader of the party, actually abandoned the four cardinal principles, thus diminishing and weakening the strength of party leadership, and abetting and sheltering advocates of bourgeois liberalization. Consequently, all shades of the erroneous ideological trend of bourgeois liberalization spread unchecked, confusing the thinking of some cadres and teachers and interfering with ideological and political work at schools.

The article says: In adhering to the socialist orientation in education, it is imperative to uphold and strengthen party leadership over schools and ensure the role of party organizations as the leadership and political core of educational work. A review of practical experience shows that the system whereby a school principal assumes overall responsibility under the leadership of the party committee will be better suited to the actual situation and work in China's schools of higher education.

The article says: The struggle between the socialist and capitalist roads still exists and will continue to exist in China. This struggle between two roads, destinies, and ideologies dictates that criticizing the ideological trend of bourgeois liberalization will be a protracted political task. Meanwhile, we must adhere to the general principle of reform and opening to the outside world, carry out in a penetrating manner the education policy, and promote the development and flourishing of this educational undertaking.

More Reportage on Li Tiesing's Tibetan Visit

Praises Security Forces
OW1308194489 Beijing Domestic Service in Mandarin
2130 GMT 9 Aug 89

[Text] According to a XINHUA NEWS AGENCY report, Li Tiesing, member of the Communist Party of China Central Committee Political Bureau and state councillor, currently in Tibet on an inspection tour, extended warm regards on the evening of 8 August to

Lhasa martial law enforcement troops, Armed Police units based in Tibet, and Lhasa public security cadres and policemen, on behalf of the party Central Committee and State Council.

Li Tieying spoke highly of their significant contributions to protect the motherland's border areas, preserve the motherland's unity, enhance solidarity among nationalities, and to the struggle against separatism.

Li Tieying said: Notwithstanding the Lhasa riot and Beijing counterrevolutionary rebellion, the series of policies concerning socialist modernization, reform, and opening to the outside set forth since the 3d Plenary Session of the 11th CPC Central Committee, as well as all other policies beneficial to the people and national construction, will not change. China would fall apart and have no peace without the CPC's leadership. Short of socialism, there would never be any hope. It is essential to uphold the four cardinal principles to develop socialism with Chinese characteristics. We must oppose the practice of bourgeois liberalization, which is to practice capitalism and to negate the party's leadership, with a clear-cut stand.

Li Tieying pointed out: In Tibet there are (?urgent tasks) to oppose separatism, safeguard the motherland's unity, maintain solidarity among nationalities, and to stabilize Tibet. Those turmoils and riots that disturb social stability and solidarity and upset the motherland's unity are acts aimed at bringing chaos to and impoverishing the country.

He said: What China presently needs most is stability and solidarity, without which we can hardly wholeheartedly pursue our policies of modernization, reform, and opening to the outside world.

In addition, according to our station reporter (Wang Dui), Comrade Li Tieying yesterday [9 August] jointly held an on-the-spot work meeting with concerned departments of the autonomous region's people's government, and together they discussed the repair work for Potala Palace. Prior to the meeting, Li Tieying and others went and inspected Potala Palace.

Attending the meeting were Ngapoi Ngawang Jigme, vice chairman of the National People's Congress Standing Committee; Pagbalha Geleg Namgyai, vice chairman of the National Committee of the Chinese People's Political Consultative Conference; Hu Jintao and Raidi, secretary and deputy secretary of the Tibet autonomous regional party committee; and Doje Cering, chairman of the regional people's government; as well as responsible persons from the State Bureau for the Preservation of Cultural Relics, the State Nationalities Affairs Commission, the State Planning Commission, the Ministry of Finance, the Ministry of Materials, and the Bureau of Religious Affairs.

After listening to opinions and suggestions from various sectors, Li Tieying said: Potala Palace is a world-renowned ancient architectural complex of a palace-style temple. It is a gem in the historical and cultural heritage of the Chinese nation, as well as the mecca of Tibetan Buddhism. The repair of Potala Palace is of great significance to the implementation of the party's united front, nationalities, and religious policies; to the protection of the motherland's historical relics; to the preservation of the motherland's culture; and to the development of the tourism industry. Both the party Central Committee and the State Council attach great importance to this project, which can only succeed and not fail.

Li Tieying said: It is very important to respect science and to respect the Tibetan people's historical traditions, their characteristics, and their religious feelings when repairing Potala Palace. The work must be satisfactory to both the clerical and secular sectors of Tibet.

Vice Chairman Ngapoi Ngawang Jigme also spoke at the meeting.

Inspects Shigatse Prefecture

*HK1508051589 Lhasa Tibet Regional Service
in Mandarin 1030 GMT 14 Aug 89*

[Text] Accompanied by Mao Rubai, vice chairman of the regional people's government, on the afternoon of 10 August Comrade Li Tieying, a member of the CPC Central Committee Political Bureau and minister of the State Education Commission under the State Council, together with a working group, paid an inspection visit to Shigatse Prefecture. On the morning of 11 August, Li Tieying and (Zhang Deqing), director of the State Cultural Property Bureau, visited the Zhaixi Lhunbo Lama-sery, paid their respects to the remains of the 10th Panchen Lama, inspected the new stupa containing the remains of the 5th through the 9th Panchen Lamas, and listened to a briefing given by Living Buddha (Jiaja) on the newly-built stupa and some relevant problems and suggestions raised by him.

On the afternoon of 11 August, Comrade Li Tieying, despite fatigue, visited a cooperative involved in the processing of gold, silver, and bronze ornaments at Zhaixi, where he made inquiries concerning sales and profits of products made by the cooperative, and encouraged cadres and staff of the cooperative to work hard for economic development. At Zhaixi, Li Tieying also visited some peasant families, inquiring about their incomes and encouraging them to shake off poverty and make themselves rich through hard work.

After inspecting a normal school in Shigatse Prefecture, he stressed: The educational circles must, proceeding from local conditions, pay serious attention to vocational education so that vocational education will make contributions to future economic development.

Paper Says Rong To Be Fourth Vice Premier

*OW1608091189 Tokyo KYODO in English
0814 GMT 16 Aug 89*

[Text] Hong Kong, Aug. 16 KYODO—Chinese Communist Party leaders have decided to name Rong Yiren, board chairman of the China International Trust and Investment Corp., as a fourth vice premier, a Hong Kong economic daily reported Wednesday.

The Hong Kong ECONOMIC TIMES attributed the information to sources close to China.

His appointment, which is expected to be formalized at a parliament Standing Committee meeting soon, is aimed at restoring and promoting contacts with foreign businesses, the daily said.

China hopes Rong's assumption of the vice premiership will give a strong impression on China's open policy toward foreign countries, the daily said.

China now has three vice premiers—Yao Yilin, Tian Jiyun and Wu Xueqian.

State Fines Corporations; Seizes Profits

Auditor General Comments

*OW1608112289 Beijing XINHUA in English
0646 GMT 16 Aug 89*

[Text] Beijing, August 16 (XINHUA)—The Chinese Auditing Administration has decided, on the basis of 10 months' auditing, to collect a total of 51.33 million yuan from five large corporations in fines and confiscation of illegal profits, a leading auditing official said here Tuesday.

Auditor-General Lu Peijian named the five corporations as China Kanghua Development Corporation, China International Trust and Investment Corporation (CITIC), Everbright Industrial Company, China Incomec (Industry, Commerce and Economy) Development Corporation (CIDIC) and China Rural Trust and Investment Corporation.

Reporting to the plenary session of the State Council on auditing and handling measures on the five corporations, Lu said that so far the five corporations have paid more than 30 million yuan.

Lu said that the auditing revealed that the five corporations have played positive roles in foreign trade, foreign investment utilization, technique and equipment importing, and economic development since they were established. But activities violating administrative regulations exist in their management, Lu pointed out.

Those who should hold responsible for the violations of law and discipline would be dealt with by the state supervision and judicial organs, Lu said.

The State Auditing Administration has audited the five corporations and their 52 branches. It also authorized local auditing organs to audit another 22 branches. But the overseas branches of Kanghua, Everbright and CITIC have not been audited.

Last September branches of the Kanghua Development Corporation, established in June 1987 with permission of the State Council, numbered an unwieldy 171. Auditing problems arose mainly in these branches.

Lu said that Kanghua's problems mainly stemmed from buying and selling foreign currency without permission, reselling production materials at a profit and evading taxation.

Therefore, the auditing administration decided to collect 12.18 million yuan from Kanghua and its branches, as well as 18.81 million yuan from CITIC, 19.17 million yuan from Everbright and 1.17 million yuan from CIDIC. The last three businesses have also been found of buying and selling foreign currency without permission and evading taxation.

The Rural Trust and Investment Corporation had lent 100 million yuan to an automobile business as development fund and drawn savings deposits from government and military units, thus violating government regulations.

Lu stressed that regular auditing and supervision will be conducted on all state-run corporations from this year on.

Auditors Make Suggestions

*HK1608035289 Hong Kong TA KUNG PAO
in Chinese 16 Aug 89 p 1*

["Special Dispatch" from Beijing: "Auditing Administration Reports to the State Council on Work in Auditing the Kanghua and Other Corporations"]

[Text] Beijing, 15 Aug.—The State Auditing Administration has finished auditing five companies—the China Kanghua Development Corporation, the China International Trust and Investment Corporation, the Everbright Industrial Company, the China Industrial and Commercial Economy Development Company, and the China Rural Trust and Investment Company. Today it submitted a report on relevant audits to the plenary session of the State Council.

The Auditing Administration's report said that the four companies, including the Kanghua Development Corporation, the China International Trust and Investment Corporation, the Everbright Industrial Company, and the China Industrial and Commercial Economy Development Company, had all engaged in foreign exchange trading and other activities without authorization. It accused the Rural Trust and Investment Company of absorbing deposits in violation of relevant rules and regulations. The five companies had their illegal earnings confiscated and were subjected to a fine, plus a demand

for the payment of unpaid taxes, with a total amount of 51.33 million yuan involved. The report did not refer to any particular people involved.

According to the Auditing Administration's report, the administration has separately issued conclusive auditing results and relevant decisions to the companies concerned.

It was learned that the recent audits did not cover the overseas subsidiaries of the Kanghua Development Corporation, the China International Trust and Investment Corporation, and the Everbright Industrial Company.

The Auditing Administration's report pointed out that the recent audits focused on checking whether there had been any problems involving violation of the law or discipline in operating activities. The Auditing Administration directly audited the five parent companies in question and 52 subsidiaries under them. Relevant organs posted at various areas and local auditing organs were authorized to audit 22 subsidiaries, with a total of 74 units involved.

The auditing work has been carried out in accordance with the "decision of the CPC Central Committee and the State Council on undertaking a few things of concern to the masses in the near future."

After this auditing effort, the Auditing Administration made the following suggestions to the State Council:

1. Those companies involved in operating activities in the area of circulation, which are not active, or have overlapping activities with others should be swallowed up in mergers.
2. Those companies that are retained should no longer be under the direct management of the State Council and should instead be placed under the control of relevant departments of the State Council.
3. The scope of operation of those retained companies and their funds should be separately reassessed by the State Industrial and Commercial Administration and the Ministry of Finance. Preferential treatment granted in the past should be dropped. Wages, allowances, bonuses, and so forth for company personnel must be based on state regulations. Freely handing out money and things on the basis of self-established rules and regulations is to be strictly banned.
4. As with other enterprises, control and supervision should be strengthened over the financial, banking, auditing, industrial-commercial, pricing, customs, foreign exchange control, and other departments of those companies retained.

Construction Ministry Issues Nepotism Policy
HK1508091289 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 0557 GMT 9 Aug 89

[Report: "The Ministry of Construction Implements the System of Avoiding Having Relatives Working in the Same Unit"—ZHONGGUO TONGXUN SHE headline]

[Text] Beijing, 9 Aug (ZHONGGUO TONGXUN SHE)—Recently the Ministry of Construction worked out a 10-point regulations system on clean administration, of which the relatives avoidance system has been well received by many people.

According to the regulations, spouses and children of ministerial members or spouses and children of departmental or bureau chiefs are not allowed to work in organs under this ministry; those who are working in these organs should be transferred by the Personnel Department; sectional-level cadres should prevent their relatives from working in the same departments or bureaus.

The regulations demand that cadres under this ministry should announce their housing situation. Checks will be carried out on the housing situation of cadres at the departmental or bureau level, the housing situation of sectional-level cadres of service companies, and the distribution of houses since the formation of this new ministry. Results of the checks will be announced to the public.

The Ministry of Construction has also set up a "dialogue" system, under which ministerial leading cadres will spend 1 or 2 days every 3 months conducting "dialogue" with the people in the units under their management.

Article Levels Accusations at 'River Elegy'
OW1408043989 Beijing GUANGMING RIBAO
in Chinese 9 Aug 89 p 3

[Article by Zhang Linwen (4545 2651 2429): "Comment on Distortion of Historical Facts in 'River Elegy'"]

[Text] After the six-part television series "River Elegy" was aired in the summer of 1988, many newspapers and journals vied with one another to print the scenario of the series, report on and review it, and sponsor discussion forums, setting off a "River Elegy" fever. Some scholars called this phenomenon the "River Elegy effect" or "River Elegy phenomenon." The writers of the series said: "'River Elegy' is the product of cooperation between television and thought circles; it is an experiment of the elite of China's contemporary thought circles to spread theoretical information through the medium of television." A scholar praised fanatically: "For me, 'River Elegy' is the second greatest ideological shock since I accepted Marxism as a teenager." What is puzzling, however, is that such a representative work of the "cultural elite," created by the "elite of contemporary

thought circles" with "noted historian Jin Guantao" as its adviser, could contain so many errors with regard to historical facts and common knowledge. Here, I would like to illustrate this by citing the following examples:

In part two of "River Elegy," "The Destiny," it says: The fleet led by Zheng He ... seemed to be on a mission of political parade, pure and simple. The fleet was to bestow favors to foreign nations as a means of expressing the Chinese emperor's nominal 'supreme suzerainty' over them. What a generous and kind conduct of a nation of gentlemen.... The Chinese guests from across the Pacific were actually a group of modest, self-disciplined gentlemen who "set out to do what was right, not what was profitable." A reviewer of the series even said that "only God knows the motivation and goal of Zheng He's voyages." At the same time, he considered the "River Elegy's" authors' analysis of Zheng He's objective as "creative thinking."

With regard to the objective of Zheng He's voyages and other related questions, historical circles have held many seminars. Although differences exist on the subject, no one has concluded that Zheng He's voyages "were merely political parades, pure and simple." A large amount of historical facts show that there were economic motives behind Zheng He's voyages. During the voyages, the fleet frequently carried out official trading activities involving luxury items. As a result of Zheng He's voyages, China's marine trading routes with Southeast Asia were reopened and China's trade with Southeast Asia was strengthened. Through the voyages, Zheng He became "as rich as a king"; many common people also prospered from trading with the outside world. As Yan Congjian said: "After the emperor changed his reigning name to Yongle, he sent envoys to all parts of the world and instructed overseas vassal states to send tributes. Consequently, rare treasures that had never been seen before filled the warehouses and markets. By imperial decree, common people were allowed to trade in these goods. As a result, many of them prospered; the national treasury was also enriched." (Biography of Fu Lang Ji [0154 6745 2623], Volume 9 of "Information on Foreign Lands"). Therefore, to say that Zheng He set sail "to do what was right, not what was profitable" does not conform with historical fact.

The cause of defeat in the Sino-Japanese War of 1894 was another historical question in "River Elegy." In part six, "The Color Blue," the authors said: "The most direct cause of the defeat in the sea battle in that war was that a corrupt contractor had filled many shells with sand." This assertion was allegedly based on the movie "The Storm of 1894." This is as ridiculous as studying the history of the three kingdoms from the novel "Romance of the Three Kingdoms." In part two, "The Destiny," the authors again said: "Ding Ruchang or Deng Shichang, no matter who he was, was doomed to fail. His tragic failures were doomed as early as the times of Qi Jiquang and Zheng He." The outcome in the 1894 Sino-Japanese had been doomed hundreds of years before! What a

sensational historical conclusion. This conclusion is probably quite conservative as far as the time span is concerned because, according to the "River Elegy's" authors, China was doomed to fail from the very beginning. The reason for this is that China's culture is a "yellow culture," not a "blue culture," and lacks an awareness of the ocean. They were not talking about "destiny"; rather, they were preaching fatalism.

In part two of "River Elegy," "The Destiny," the authors said: "All of Chinese history is almost a history of struggle between nomads and farmers for survival space." This thesis does not tally with the actual conditions of ancient China. First, the authors deviated from the Marxist class viewpoint in their approach to Chinese history and distorted class struggle as a conflict between different tribes for survival space. Second, among the nationalities in ancient China, there were contradictions and conflicts on one hand and interdependence and mergers on the other. Had there been no mergers and cultural exchanges among the nationalities in northern China, a highly developed culture would not have appeared at the peak of the Tang Dynasty. This is a historical fact known to all.

Upon the advice of Jin Guantao, who made a name for himself with his theory on "a superstable structure," the series maliciously attacked and slandered the peasant wars in ancient China and the just struggles against imperialism: aggression in contemporary China. They criticized: "Periodic great upheavals have again and again mercilessly wiped out the accumulated productive forces," and "contrary to the assertion of some theories, such destruction of social structures is devoid of any revolutionary significance."

To illustrate the "foolishness" of the Chinese, in part three of the series, "A Ray of Inspiration," the "River Elegy's" authors distorted historical facts at will and spared no efforts in their verbal thrusts. They went so far as to describe Lin Zexu, the first Chinese in contemporary Chinese history who opened his eyes to the world, as being so ignorant a man that he "even believed that British soldiers could not stretch and straighten their legs." They just took pride in hurling insults at our ancestors.

The authors of "River Elegy" not only distorted Chinese history, but also willfully drived about world history.

In part one of "River Elegy," "In Search of a Dream," the authors said: "Somebody once said that it was possible not to mention the word sea even once in writing the history of India until about 400 years ago." This is also not in line with historical fact. As early as 3,000 to 5,000 B.C., India began to trade with the Euphrates-Tigris civilization by way of the sea. The powerful Maurya Dynasty of India founded in the 4th century B.C. had a military officer in charge of the Navy. Beginning in the 1st century A.D., India traded with Rome through the Arabian and Red Seas. From the 10th

Century A.D., the Cola Empire in Southern India was very powerful and frequently carried out colonial activities and trade abroad. How could they draw the conclusion that "once the European pirates appeared in the Indian Ocean, this culture was doomed?"

As for errors of common knowledge, they will not be listed one by one in this article because of limited space.

How could the "elite of modern Chinese thought circles" make such mistakes of historical fact?

Most members of the elite do not pursue studies in a down-to-earth way. They love to make speeches and show off, but have no time to undertake historical studies. However, they must "play" a part in historical study in order to show their profound knowledge and thinking. Since they actually know nothing about history, they must do some scissors-and-paste work based on hearsay, and present it in modern terms in accordance with the Western format. For this reason, it was not strange at all that they made those historical errors.

Ignorance and arrogance usually coexist. The members of the "elite" are known for their study of Chinese culture, but know nothing about traditional Chinese culture; they have all become "scholars" who regale traditional Chinese culture. The authors of "River Elegy" are not only ignorant, but arrogant. Last year someone criticized "River Elegy" for distorting historical facts, but the authors assumed the attitude of an arrogant mentor and rebuked the critic "for being ignorant of the links of ancient and medieval culture and wrongly describing the basic motive force of modern civilization." While lengthily discussing ancient, modern, Chinese, and foreign things to show off their vast knowledge, they actually reveal their poor knowledge and superficial thinking. The authors of "River Elegy" said: "(Gordon), leader of the 'invincible army' which helped the Manchu autocratic government suppress the Taiping uprising in China, was killed in Sudan while he was suppressing the people's uprising there. (Gordon's) fate shows that the primitive Sudanese tribes were able to mount a more powerful resistance than the 'sick men of East Asia' under autocratic rule." Such a "superficial historical comparison" disregards the inner bonds of things, and seizes on minor points while brushing aside the rest. We may say that such a sheer nonsensical conclusion is one of the salient features of the "elite culture" created by the "elite of China's contemporary ideological circles."

In the past, people always tried to understand "River Elegy" with the best of intentions, and thought that it was full of concern about our hardships and was intended to inspire the Chinese people. Even though it contained historical errors, people did not mind. However, things are not that simple.

Commenting on the system and environment created by "River Elegy," a television personality repeatedly said: "We must under no circumstances think that 'River Elegy' is an inevitable product of China's television system." He also said: "In an autocratic society, the role of the elite culture as a forerunner of social culture, and in guiding social and cultural development, will be greatly weakened. It can even become an instrument of propaganda for publicizing narrow and arbitrary state ideology." It is not hard to see that these people want to use "elite culture" as a pretext to disregard the policy of serving the people and socialism, and to refuse to be the party's propaganda instrument. At a "River Elegy" forum last year, Jin Guantao said: "Certain 'thinking' should be fostered among intellectuals and then spread among the masses. The people need the thinking." This shows that the authors of "River Elegy" did not hesitate to distort historical facts to publicize their "thinking" about negating traditional Chinese culture and achieving total Westernization. A review of "River Elegy" defended its distortion of historical facts and said: "Some historical materials were 'adapted' to meet the needs of the theme." In fact, it was a distortion, not adaptation. Jin Guantao, who regards himself as a "savior," wrongly assessed the situation. Isn't his performance during the Beijing turmoil worth our pondering?

Retrospects, Prospects for Cadre System Reform
HK1508090189 Hong Kong LIAOWANG OVERSEAS
EDITION In Chinese No 32, 7 Aug 89 pp 8-9

[Article by LIAOWANG reporter: "The Reform of China's Cadre System: Retrospects and Prospects"]

[Text] Following the 3d Plenary Session of the 11th CPC Central Committee, China has done a lot of work to promote the reform of its cadre system. The lifelong tenure of leading posts, which has actually existed since the founding of New China, has been abolished. The quality of our cadre contingent has been improved considerably. However, bureaucratic work style and corrupted phenomenon in China's cadre contingent are still fairly serious, and we are still facing a quite strenuous task with regard to the reform of our cadre system. The recently closed 4th Plenary Session of the 13th CPC Central Committee urged us to further uphold the four cardinal principles, carry out reform and opening up, strengthen the building of the party, develop democracy and a legal system, and resolutely punish those who are guilty of corruption. This puts forth a new demand for the reform of the cadre system in China.

Guidance Thinking Proposed by Deng Xiaoping

As early as 1978, the Chinese leaders already realized the problem of overconcentration of power in the cadre system. The reform of the system was further carried out after Deng Xiaoping made his important speech "The Reform of the Leadership System of the Party and State" at an enlarged meeting of the Central Political Bureau held on 18 August 1980. The speech was discussed and

approved by the Central Political Bureau on 31 August 1980. After that, it became a programmatic document for the reform of the leadership system of the party and state in China.

In his speech, Deng Xiaoping analyzed the main defects in the leadership system of the party and state, and in the cadre system as well, namely, bureaucracy, overconcentration of power, patriarchal system, life-long tenure in leading posts, privileges of all forms, and so on. He pointed out that these defects are, more or less, imbued with feudal coloring. Therefore, the task of eliminating remnant feudal influence on the ideological and political front must be stressed again. To eliminate remnants of feudal influence, our attention must be focused on truly reforming and perfecting various systems of the party and state. If we fail to resolutely overcome the defects in our existing systems, some serious problems, which existed in the past, might occur again.

In his opening speech to the 12th CPC National Congress, Deng Xiaoping again explicitly put forth the tasks of institutional reform, economic structural reform, making cadre corps more revolutionary, younger in average age, better educated and more professionally competent, and so on.

All these expositions of Deng Xiaoping have become a theoretical foundation for promoting the reform of the cadre system in China, and pointed out the direction of the reform.

Eliminating Lifelong Tenure in Cadres' Posts

After the founding of New China, due to the fact that we failed to develop a system which could restrict the term of office of leading cadres, a de facto lifelong tenure existed. In our country's political life, a superior's order, deciding everything by one man's say, and personality worship prevailed. This has severely harmed various undertakings in China.

To abolish lifelong tenure in cadres' leading posts, we must overcome the phenomenon of overconcentration of power in terms of our systems, and do away with the practice of "deciding everything by one man's say." The "Constitution of the CPC," and the "Constitution of the PRC" have been revised. The "Constitution of the CPC" explicitly points out: "Leading party cadres at all levels, whether elected through democratic procedure or appointed by a leading body, are not entitled to lifelong tenure, and they can be transferred from or relieved of their posts." The "Constitution of the PRC" also contains a stipulation restricting the term of office of the leaders of the state: chairman and vice chairmen of the NPC Standing Committee, president and vice president of the state, premier and vice premiers of the State Council, president of the Supreme People's Court and procurator-general of the Supreme People's Procuratorate shall serve no more than two consecutive terms.

In addition, on 10 April 1982 the State Council promulgated "Several Stipulations on the Retirement System of Veteran Cadres." A retirement system has been established in China to solve the problem of retirement of cadres. All this has solved the problem of lifelong tenure in terms of the systems, and laid a foundation for further reforming the cadre system in China.

Select Cadres Who Are "More Revolutionary, Younger, Better Educated, and More Professionally Competent"

Due to the 10 years of turmoil during the "Great Cultural Revolution," the normal system for selecting cadres in China was severely undermined. After 1976, the average age of cadres of various leading bodies in China was 10 to 20 years older than before the "Great Cultural Revolution." Failure to solve the problem of replacing elderly cadres with younger ones meant that socialist construction in China would be severely harmed.

To fulfill the task of the "four transformations" of cadre corps (making cadre corps more revolutionary, younger, better educated, and more professionally competent), China has taken measures to readjust its leading bodies at all levels. According to figures issued by relevant departments, in 1984, the average age of cadres in the leading bodies of various ministries and commissions under the State Council dropped from 64 to 58, and 52 percent of the cadres attained university educational level. In November 1983, in various leading bodies at provincial level, cadres who were under 55 accounted for 49 percent of the total number of cadres, and 43 percent of cadres attained university educational level. In the meantime, grass-roots leading bodies at prefectural and county level have also been changing along the direction of the "four transformations." In July 1984, the average age of cadres in leading bodies at county level in Beijing and Shanghai was 45.5 and 46.5 respectively. In other places, the average age of cadres in such a category was under 45. The percentage of cadres with university educational level increased from 10.8 percent to 45 percent. In addition, some specific stipulations have also been worked out with regard to the age of ministers and vice ministers of central state organs and cadres at provincial level. Generally speaking, the age of ministers must not exceed 65, whereas vice ministers must be under 60. After the election of the leading bodies at provincial level in 1985 due to change of term of office, the number of leading cadres under 50 accounted for 26 percent. The percentage of provincial governors and vice governors, and chairmen and vice chairmen of autonomous regions, and mayors and vice mayors of municipalities directly under the central government with university educational level reached 76.4 percent.

Multi-Candidate Election, and Others

Conducting a multi-candidate election is an important attempt to reform the cadre system in China. It has played a certain role in guaranteeing the promotion of

excellent cadres to leading posts. In 1988, when 20 provinces, municipalities, and autonomous regions in China changed term of office, multi-candidate elections were generally conducted. At a session of the Henan provincial People's Congress, Liu Yuan, son of the late President Liu Shaoqi, was originally not included in the namelist of the candidates. However, in accordance with the "Local Organizational Law," more than 100 people's deputies recommended him as a candidate. He succeeded in the multi-candidate election. At a session of the Ninth Beijing Municipal People's Congress, 7 vice mayors were to be elected from among 10 candidates. Two female candidates, who had been looked down upon, were elected, whereas some other candidates who were favored by certain leaders lost the election.

Apart from multi-candidate election, China has also made several explorations with regard to the reform of its cadre system, including a system of cadre personal responsibility, a cadre examination system, cadres assessment system, cadre exchange system, and so on. The method of democratic assessment and examination of departmental directors employed by some ministries and commissions has played a good role in promoting the work of cadres, and in enhancing their working efficiency. Some localities have pursued a system of democratic recommendation of cadres and open selection of grass-roots cadres. Organs directly under Hunan Provincial CPC Committee and government adopted a method of recommendation by the masses and open selection with regard to the election of cadres at departmental head level, so that some persons who had both ability and political integrity could be promoted to leading posts. In July 1987, Wuxi city in Jiangsu province openly elected cadres at departmental head level. Thirteen cadres at departmental head level were elected from among 450 candidates who were recommended by the masses, or who recommended themselves. These candidates had neither "background" nor "behind-the-scenes backers." Since such a method for selecting cadres was fully transparent, it was welcomed by the masses. In 1984, when Chengdu City in Sichuan Province was reforming its administrative system for cadres in party and government organs, it was decided that responsible cadres at all levels would follow a system of term of office, and that new responsible cadres would be openly recruited from among cadres, workers, and peasants.

Steadily and Carefully Promote the Reform of the Cadre System

Due to the fact that problems such as serious bureaucracy, corrupted phenomenon, and so on still exist in our cadre contingent, the CPC and the Chinese Government will further promote the reform of its cadre system, and perfect a series of systems governing the election, recruitment, appointment, and dismissal of cadres, and the way which will enable cadres to avoid getting involved in certain matters. In addition, they will also make efforts to establish supervisory mechanisms for leading cadres. Generally speaking, the following work will be done:

- State cadres will follow a system of civil servants, and efforts will be exerted to enact a "Civil Servant Law." A principle of open examination and recruiting the best will be implemented with regard to the recruitment of cadres who are civil servants. There will be strict criteria for assessing the achievements of cadres, and determining their promotion, demotion, awards, and punishment. It has been reported that relevant departments in China are enacting laws in this regard, and they will be promulgated when the time is ripe.
- There will be an explicit system for addressing inquiries to, impeaching, and dismissing state leaders. Although there are some stipulations in China's "Constitution" and "Rules of Procedure," enacted by the NPC and its Standing Committee on addressing inquiries into, impeaching and dismissing leaders, they are still too sweeping. For example, what kind of cadres can be dismissed? What kinds of mistakes committed by cadres will lead to their dismissal? Legal stipulations on answering such questions have not yet been worked out. Therefore, this might be an important content of the future reform of the cadre system in China.
- Efforts will be made to establish a system for cadres reporting their property, and making public their incomes, so that they can accept the supervision of the masses. The salary income, welfare, and fringe benefits, and other income of leading cadres, and senior leaders in particular, must be made public. This will stop the occurrence of corrupted phenomenon.
- While appointing cadres, efforts must be made to increase the transparency of the appointment. When a cadre is appointed to take a certain post, his previous achievements, ability, moral character, and so on must be made known to the public. Publishing simple personal details alone is not enough. In addition, the appointed cadre must tell the masses his administrative program, so that he can accept their criticism.
- Efforts must be made to gradually establish a supervisory system of the masses. Some leading cadres are engaged in prerogatives, abuse their power for private gains, and fail to regard themselves as servants of the people. To solve these problems, we must enable the masses to participate in the supervisory work, and establish special organs which can establish links with the masses, so that leading cadres can be supervised and examined.

Article Stresses Vigilance Against Liberalization
OW1508143689 Beijing XINHUA in English
1356 GMT 15 Aug 89

[Text] Beijing, August 15 (XINHUA)—The Chinese people should keep vigilant and be ready to expose the fraud of bourgeois liberalization which negates the four cardinal principles under the excuse of anti-feudalism, according to an article carried in today's "PEOPLE'S DAILY".

The article, written by former editor-in-chief of the journal "RED FLAG", Xiong Fu, said the challenge of bourgeois liberalization is an attempt to negate China's socialist system by spreading the conception that China's democratic revolution was "not thorough", Chinese society has remained "feudal" and Chinese socialism is merely "feudalism coated with socialist paint."

The article said that China's socialist nature is undoubted, as the new democratic revolution led by the Communist Party has achieved a thorough victory in struggle against imperialism, feudalism and bureaucrat-capitalism, public ownership has taken the leading position and dominant role in the national economy and distribution according to work is practised in the public ownership sector.

On the demarcation between socialism and feudalism, the article refuted the claims that China's socialist system was founded on the basis of a feudal, small-scale farming economy, that the national economy remains dominant in China's economy today, there is no democracy in China's political life, and that there are many feudalistic aspects in the ideological field.

By analyzing facts and reality, the article said that those who advocate bourgeois liberalization, in fact, exploit the excuse of anti-feudalism to negate the socialist system and the four cardinal principles—adhering to the socialist road, the people's democratic dictatorship, the leading role of the Communist Party, and Marxism-Leninism and Mao Zedong Thought.

As for defects in the party and state leadership, and the shortcomings of the current system, the party not only allows but also encourages public monitoring through education and legal means. But the starting point must be in line with the four cardinal principles and support for the party's leadership.

Bourgeois liberalization, as an ideological trend, has disseminated a series of ideas, views and theories about economics, politics, culture, ideology and other aspects of social life, which have caused great confusion in thinking and contaminated the minds of young people.

It is noteworthy that the residues of feudalist thinking are combined with decadent bourgeois thinking today. For example, the marriage between such feudalist residues as privileges, patriarchal clan relationships, guild habits and bourgeois individualism, hedonism, anarchism, and money and power worship have resulted in illegal businesses, tax evasion, profiteering, bribery, smuggling and fraud.

"Bourgeois liberalization is a hotbed for the combination of residues of feudalist thinking with various decadent bourgeois ideas," the article said.

Refuting the view that China must take the capitalist road to narrow the gap in social development and clean out the dregs of feudalism, the article analyzed historical development in the world in four aspects:

First, capitalism and feudalism, in nature, are both systems of exploitation and oppression of man by man. Though it was a great progressive step to replace feudalism with capitalism, the two are compatible in the final analysis.

Second, though bourgeois revolutions, including the British, American and French revolutions, played very important revolutionary roles and destroyed feudalism and patriarchal clan relations, they were not thoroughgoing. For example, the British revolution ended up with a constitutional monarchy; the regime set up by the American Revolution was a coalition dictatorship of big bourgeoisie and slave owners, and the French Revolution, which has been considered the one that most thoroughly destroyed feudalism, resulted in a series of restorations of feudal regimes.

Third, in Chinese history, the progressive Chinese represented by Sun Yat-sen not only employed Western political doctrines to criticize feudal autocracy but also carried out armed revolution. However, they were defeated by the reactionary forces of imperialism, feudalism and bureaucrat-capitalism. History has proved that China could not undergo complete capitalist development under semi-colonial and semi-feudal conditions. Today, restoration of capitalism in China can only turn the socialist country into a dependency of the West. The Chinese nation, except for the traitors, will never agree to this.

Finally, socialism and feudalism are fundamentally incompatible. It was the Chinese Communist Party which led the nation to thoroughly overthrow the feudal regime. It is also the Communist Party which, after the establishment of the socialist system, is able to lead the whole nation to carry the struggle against the residues of feudalist thinking through to the end.

Since those who advocate bourgeois liberalization pretended to fight feudalism while negating the four cardinal principles, they had a great power to confuse and poison the people's minds, the article said and called for exposure of the duplicity of bourgeois liberalization.

Article Upholds Ideological Education
OW1208083389 Beijing XINHUA in English
0755 GMT 12 Aug 89

[Text] Beijing, August 12 (XINHUA)—Education should adhere to the concept of proletarian education, the correct political orientation, education in communist ideology and the principle of combining education with production and labor, according to an article in today's "PEOPLE'S DAILY."

The article noted that profound lessons in education should be drawn from the recent social unrest ignited by a student strike.

Written by Zhang Chengxian, a senior educator, the article said that China's education must serve proletarian politics and economics, that is, adhere to socialist orientation and serve the socialist modernization program, because there is no abstract education. If it is divorced from proletarian politics and economics, education will surely open the door to bourgeois penetration.

The article noted that it was wrong to use schools as tools for class struggle and ignore their important role in the development of production under the "left" line during the Cultural Revolution (1966-1976). The strategic position of education in national economic development has been recognized since the downfall of the "gang of four" in late 1976. However, some people have neglected the relationship between education and politics and allowed the ideological trend of bourgeois liberalization to flourish, which has had bitter consequences.

"The lesson, written with blood, tells us that schools should put resolute and correct political orientation first forever," the article said.

The article stressed that it is a very important task to carry out education in Marxism, communism and patriotism to solve the question of world view and concept of life.

The article also said that the principle of "combination of education with production and labor" is not out of date. Due to negligence of the principle, many young students today belittle physical labor, practice and working people. Some people are even reluctant to do things for themselves. Some do not treasure the fruits of labor and waste steamed bread and rice. Some do not understand China's history and reality and have committed numerous mistakes in transplanting foreign things to China, and some consider themselves superior to the working people and are unwilling to work at the grassroots level and go among the masses and learn through practice.

"It is impossible to cultivate personnel with real ability and learning and to foster successors to the proletarian revolutionary course by so doing, and some will even become the gravediggers of socialism," the article warned.

Practice proves that intellectuals must correct their style of study, adhere to the combination of theory with practice and march along the road of uniting themselves with workers and peasants.

Paper Views Problems of Thought Deviation
HK1208071189 Beijing JIEFANGJUN BAO
in Chinese 1 Aug 89 p 3

[Article by Ci Huifu (5591 1920 4395): "Emancipation of Thought and Transformation of Thought"]

[Text] The riot and rebellion that took place in early summer this year have given us much food for thought. While reviewing the incident, we could not help but ponder over the following questions: How does one understand the relationship between emancipation of thought and transformation of thought in the great cause of reform and opening up to the world? How is the transformation of thought consciously conducted while we continue the emancipation of thought?

The banner emancipating the mind was first held aloft at the 3d Plenary Session of the 11th CPC Central Committee. The stormy course of the 10-year reform was precisely the progress of the Chinese people emancipating their minds under the guidance of the ideological line—the seeking of truth from facts. Without breaking with modern superstition, without restoring the authority of practice and the campaign to emancipate the mind, and without starting from the actual conditions in everything as its theme, our thinking could not have been so active as today, and the undertakings in reform and construction could not have scored accomplishments such as today. However, we should be careful to note the fact that many comrades have gone astray and made mistakes in the course of "emancipating" their minds, and have failed in persistent ideological and political work and education in adherence to the four cardinal principles, as well as neglected the transformation of thought. Some people have dumped the ideological weapons of dialectical materialism and historical materialism into the dust bin, while they have altered the principle, "observing only the actual conditions but not what the ideology and books say," into "observing only what "the West" says, but not what the ideology and books say." They have blindly pursued "fashionable" Western ideas and theories of every description to the extent of shaking their faith in socialism. Others have advocated the idea of the individual to the extreme, and their individualism has viciously expanded. They are bent on pursuing the so-called "individualist value" regardless of collective interests. When some of their impractical desires failed them, they would brood on the party and society. The ideological root cause for many people committing mistakes in the recent riot lies precisely here.

Bitter lessons and cold facts have told us the importance of ideological transformation should never be neglected in the course of reform and opening up when all kinds of ideological trends are attacking us one after another.

As we all know, the purpose of the emancipation of thought is to break from the dogmatism and metaphysics in our minds, to overcome ossification and conservatism, and to adhere to the theory of cognition in dialectical materialism so that our thought may fall in line with objective reality, know the world in a scientific way, transform the society, and build the four modernizations. While the purpose of the transformation of thought lies also in eradicating in our subjective world things that run counter to the objective law as well as the people's interests, and in resisting the effects of the decadent, feudal, and bourgeois ideas to establish the revolutionary outlook on life stamped with the idea of serving the people heart and soul. Fundamentally, emancipation of thought and transformation of thought do not contradict each other. We cannot ignore, however, that Lin Biao and the "gang of four" gravely ruined the reputation of "the transformation of thought" by "attacking people" under the pretext of "ideological transformation," to the effect that the mere mentioning of "transformation of thought" would rouse psychological strain and repugnance among many people. Of course, by no means should we repeat the practice of "ideological transformation" that was characterized by attacking people as pursued by Lin Biao and the "gang of four." Neither should we entirely do away with or neglect conscious transformation of thought in a correct sense simply because we want to negate the way that Lin Biao and the "gang of four" attacked others. In a certain sense, the transformation of thought is all the more important in the situation of reform, and in the opening up and development of the commodity economy. The development of the commodity economy has brought about tremendous changes in the social value system as well in ethical concepts, in which there are positive as well as negative effects. Is it not true that many people have degenerated with their souls, corrupted by gold? Under the conditions of the commodity economy, people without a staunch spiritual support and revolutionary will, and without paying attention to resisting the effects of various erroneous ideas, are liable to commit mistakes and fall. By the emancipation of thought, it does not mean negligence in party spirit, principles, and orientation. If a person who puts money and profit-making above all else is allowed to "emancipate his mind," where will he go? If another person who knows nothing about Chinese history and social realities, but worships and has blind faith in things foreign, is allowed to emancipate his mind, what will the consequence be?

Only by further emancipating our thought will it be possible for our undertakings to make progress, provided China is to continue its reform and opening up to the world. However, the emancipation of thought does not mean indulging in fantasies; it does not mean violating the four cardinal principles by saying and doing whatever one pleases. The four cardinal principles are the groundwork for building the country, as well as the inviolable scientific criteria for the emancipation of thought. It is necessary for us to earnestly study and grasp the basic tenets of Marxism in the course of

emancipating thought; to transform our subjective world; to work hard to strengthen our consciousness in adhering to the four cardinal principles, as well as serving the people wholeheartedly; and to resist and overcome the corruption of decadent, feudal, and bourgeois ideas of every description so that "the emancipation of thought" may be conducted within bounds, and our undertakings in reform and opening up will never deviate from the correct socialist path.

BAN YUE TAN on Two Types of Contradictions
OW1308185489 Beijing BAN YUE TAN in Chinese
No 14, 25 Jul 89 p 4

[Article: "How To Distinguish Between the Two Different Types of Contradictions in Quelling the Rebellion"]

[Text] In the struggle to quell the counterrevolutionary rebellion, the central authorities have stressed over and over again the need to firmly carry out the policy, act in strict accordance with the law, use facts as a basis and the law as a criterion, strictly distinguish between the two different types of contradictions, and win over and unite the maximum number of people that can be united.

We have received letters from some readers asking how to get a good grasp of the policy and distinguish between the two different types of contradictions. In this connection, we list below five "distinctions" to be made as stipulated by the department concerned:

1. To make a distinction between those who have been deeply affected by the idea of bourgeois liberalization and have expressed general opinions in favor of liberalization and those who have long and stubbornly clung to the bourgeois liberalization stand and engaged in political conspiracy;
2. to make a distinction between those who have trusted and disseminated rumors and aired complaints and those who have fabricated rumors and carried out counterrevolutionary instigation;
3. to make a distinction between those who took part in the demonstrations and hunger strikes or made extremist remarks before 3 June and those who participated in the counterrevolutionary rebellion;
4. to make a distinction between those who, being hoodwinked, set up roadblocks and encircled military vehicles and those ringleaders and counterrevolutionary thugs who plotted and organized the riot; and
5. to make a distinction between those who were egged on to put up and distribute counterrevolutionary slogans, leaflets, and big- and small-character posters; and those who created these counterrevolutionary slogans, leaflets, and big- and small-character posters and made arrangements to disseminate them.

With regard to the former type of people, the principal measures to be implemented include positive education, criticism, and self-criticism, so that they will deepen their understanding and conclude lessons. Those with serious mistakes may be accorded party or administrative disciplinary action. The latter type of people must be severely punished according to law.

Commentary Stresses Marxist Theoretical Work
OW1008114189 Beijing XINHUA in English
1002 GMT 10 Aug 89

[Text] Beijing, August 10 (XINHUA)—An important political task for the whole party is to strengthen study, propaganda and research of Marxist theory, the "GUANGMING DAILY" said in a commentary today.

Improvement of theoretical work is a must for deepening education in adhering to the four cardinal principles and fighting bourgeois liberalization, according to the commentary.

The commentary noted that the chaos which took place in many areas of society in recent years reflected confused thinking, and confused thinking, in the final analysis, was attributed to theoretical disorder.

The exuberance of bourgeois liberalization in recent years was the result of weakening, doubting and deviating from Marxism, according to the commentary.

Theoretical workers should write articles to analyze and refute bourgeois liberalization which negates socialism, the leadership of the Communist Party, the people's democratic dictatorship and Marxism.

Moreover, they should expose the theoretical and ideological basis of bourgeois liberalization, including the bourgeois world outlook and outlooks on like conceptions of history and values and methodology.

Strengthening theoretical propaganda, in essence, is to occupy the mass media with Marxism. In recent years, the relaxing of ideological work and weakening of propaganda of Marxist theories made it possible for the ideological trend of bourgeois liberalization and various kinds of non-proletarian thinking to run rampant, which is the main reason for the recent social unrest.

On education in Marxist theory, the commentary stressed theoretical education of senior officials and young students.

The commentary also stressed building a Marxist theoretical contingent, bringing veteran theoretical workers into play and training a younger generation of theorists.

Science and Technology

Circular Guides Scientific, Technological Work
OW1208012789 Beijing Domestic Service in Mandarin
2130 GMT 4 Aug 89

[From the "News and Press Review" program]

[Text] The State Science and Technology Commission recently issued a circular briefly explaining current reforms and development in science and technology. The circular calls on all scientific research units, science and technology administration departments, and science and technology organizations throughout the country to earnestly carry out the guidelines set by the 4th Plenary Session of the 13th CPC Central Committee, and to continue to properly carry out current scientific and technological work.

The circular stresses: We should resolutely carry out various principles, policies, and plans decided by the party Central Committee and State Council on reform of the science and technology system and development of scientific and technological work. We should earnestly carry out the tasks laid down in the government work report at the Seventh National People's Congress, and firmly follow the ideological line of emancipating the mind and seeking truth from facts, which was decided by the 3d Plenary Session of the 11th CPC Central Committee. We should insist that practice be the sole criterion for examining truth, and, as we have always done in the past, should make bold explorations in an innovative spirit. Currently, we should focus our attention on the work of improving the economic environment, rectifying the economic order, and deepening reform. We should also sum up and analyze experience, shortcomings, and mistakes in scientific and technological work, and take the initiative in improving specific policies and measures. While continuing our efforts to invigorate scientific and technological work, we should tighten macro-control. As we continue to deepen reform of independent scientific research units, we should make vigorous efforts to improve technology in rural areas and enterprises, especially large enterprises. We should properly handle relationships between longitudinal and lateral plans and tasks, between our assigned tasks and economic work, between the director responsibility system and the system of party organizations ensuring supervision and of staff members and workers carrying out democratic supervision. We should enlist the support of party and government departments at all levels, and actively create the necessary environment and conditions for scientific and technological development, in order to enable our work of reform and opening to advance faster and more smoothly and steadily.

Science Commission Publishes White Paper
HK1408023889 Beijing CHINA DAILY in English
14 Aug 89 p 1

[By staff reporter Zhang Ping]

[Text] China's third white paper on policies concerning science and technology, compiled by the State Science and Technology Commission, has been published.

An official from the commission said the paper, entitled "A Guide to China's Policies on Science and Technology," is the continuation of the second white paper, published in January, 1988. The first paper was published in September, 1986.

"As compared with the first two papers, the new one covers the scientific and technical forces in China's enterprises and chronicles events on science and technology from 1977 to 1988," he said.

The paper lists laws and regulations on science and technology promulgated by the Chinese Government in 1987 and 1988, progress made in the reform of scientific and technological management, and scientific legislation and research.

It also introduces China's hi-tech research, the "Spark" programme aimed at spreading technology to rural areas, and scientific research and technology development conducted by the Chinese Academy of Sciences and Institutions of higher learning.

In the paper's preface, Song Jian, State Counsellor and the chairman of the State Science and Technology Commission, said that China should go all-out to develop its high and new tech research.

Song said that in 1988 China began a "Torc" programme aimed at promoting high and new tech research and establishing a suitable environment for research. The programme also encourages scientists to transfer their research achievements into industrial products.

XINHUA Profiles Daqing Oil Field

Diversification Sought

OW1408060789 Beijing XINHUA in English
0048 GMT 14 Aug 89

[Text] Harbin, August 14 (XINHUA correspondent Liu Changjin)—Daqing, China's biggest oil field, has miraculously kept production at a high level for 13 years and is now trying to create new miracles.

Although a total of nearly one billion tons of crude oil has been pumped out of Daqing in the 30 years since it was discovered on September 26, 1959, the oil field is still trying to maintain high level output until 1995 or beyond.

Daqing, a city of 900,000 which has grown around the oil field, is trying to develop many industries other than petroleum with an aim to avoid taking the same disastrous road of other oil field cities—particularly Baku, a well-known Soviet oil field city which has suffered decline since the oil fields around it were exhausted earlier this century.

The depletion of oil reserves in the Daqing field has become obvious, according to Zhang Hong, secretary of the Communist Party Committee of Daqing City. He noted that in the past, a well was hardly dug before oil would gush from the ground. Now, however, oil cannot be brought up without pumps. The content of crude oil in the liquid gushing from underground has dropped to 24 percent now from 90 percent in the past. He expects that the figure will eventually go down to less than 20 percent.

In order to deal with the situation, more than 1,000 scientists and engineers at the oil field have been organized since 1985 to develop new technologies for tapping the oil. They worked out an overall program, which included 222 research projects in eight areas to be completed in five years.

One of the most important projects is to raise the recovery ratio. The engineers have guided the workers to inject chemical solvents into the strata of the oil bearing rock formation. After the solvents spread, the water content in the liquid pumped from the wells in the experimental area went down by 20 percent.

Another project is to look for new oil resources to make up for the depleted oil reserves in the old oil field. With several years of exploratory drilling, 17 medium-sized and small oil fields with a total reserve of nearly two billion tons have been discovered around the old oil field.

Daqing oil field is a continental deposit. There are many oil reservoirs, whose thickness varies with the maximum as thick as the height of a four-storey building. The thickness of about 25 percent of the oil reservoirs is less than 0.5 meters. Usually, these thin oil reservoirs cannot be exploited.

With the help of some engineers, however, Pan Shijing and two other young people succeeded in fracturing 20 to 30 thin reservoirs simultaneously, a result much better than the 3 or 4 reservoirs that had been the standard in other parts of the world. The young men's success made it possible to exploit thin oil reservoirs with a total reserve of 1.7 billion tons.

As the research on all the projects in the eight areas progresses, the scientists and engineers at Daqing are optimistic about the future of the oil field. They believe that the oil field can maintain its annual output at 50 million tons until 1995 or even after.

However, Secretary Zhang Hong admitted that after 1995 it will be very difficult to maintain stable production levels. In order to ensure the continuing prosperity of the city, the governments of Daqing City and Heilongjiang Province urged the city as early as October 1987 to transform its single product economy to a multi-product one as soon as possible by developing other industries to gradually replace the oil industry. A long-term program for the development of replacement industries was then formulated.

According to the program, before the end of 1990 the city is mainly going to develop processing industries related to petroleum. The construction of refineries for auxiliaries, activators, polythene, lubricating oils, paint and coating materials and white paraffin wax is underway.

From 1991 to 2000, the city will mainly develop other industries such as foodstuffs, textiles, electronics, meters and instruments, paper, printing, machinery and metallurgy while paying attention to development of the precision chemicals industry. It is expected that the output value of these industries will surpass two billion yuan by the end of the century, thus paving the way for a boom by the replacement industries in the 21st century.

According to Liu Bailu, deputy director of the Daqing City Economic Commission, the Daqing City Government has invested nearly 100 million yuan in the replacement industries every year since 1987. So far, 25 such industries including foodstuffs, textiles, garments, building materials, (word indistinct) and plastics, metallurgy and machine building have been set up.

The number of enterprises in these industries in the city has increased from 42 in 1978 to 484 today while the variety of products from these industries has grown to 3,000 from 500.

The total output value of the replacement industries reached 490 million yuan last year. It has increased by 25 percent every year since 1987.

Economic strategists hold that although the replacement industries are still weak in Daqing and there are a lot of difficulties and obstacles in the way of their development, they will surely develop if attention continues to be paid to them. The strategists believe that Daqing City will continue to stand on the oil field even after the oil reserve runs out.

History Reviewed

OW1208062289 Beijing XINHUA in English
0201 GMT 12 Aug 89

[Text] Harbin, August 12 (XINHUA)—Daqing, an oil-field that emerged 30 years ago on a stretch of barren land in the Song Hua - Liao He basin in northeast China, has now developed into a modern petro-chemical city with a population of nearly one million.

In the early days in the late 1950's, the scientists, engineers and workers lived in only simple huts or movable wooden houses even in this world of ice and snow.

When one arrives at Daqing today, however, he will find himself in the midst of tall buildings, including those of the Daqing City government, the television station, department stores, gymnasiums, hotels and residential quarters. These tall buildings of various types and high oil-refining towers and the low white houses by the oil wells as well as the big round oil tanks present a sharp contrast with the past.

Each oil well has a mobile home with air conditioners and other facilities for the workers on duty. After work, workers have a shower and then get dressed up to go to parks or cinemas, or go to dance, read books or take a walk on the boulevards.

At a workers' residential building, veteran worker Sun Chongde told XINHUA in his new apartment that in 1960 when he came to work in the newly emerging Daqing, his four member family had to live in a hut with only six square meters of floor space. He added that the present building is the fourth generation of housing for the workers at Daqing.

There are three bedrooms, a kitchen and a bathroom in Sun's new apartment, which is equipped with sofas, carpets, wardrobes, bookcases, a TV set, a washing machine, a refrigerator and other furnishings.

According to Yi Peifa, vice mayor of Daqing City, construction of multi-story buildings in Daqing started in 1979. So far, more than 50 percent of the workers and staff in the city have moved into the new buildings. Their per capita living space is six square meters. Public facilities such as schools, hospitals, shops, cinemas, theaters, recreation halls, nurseries and kindergartens have also been built in the workers' residential areas.

All these changes have been made in keeping with the expansion of production in the petroleum industry.

On September 26, 1959, five days before "Daqing" (grand celebration of the 10th anniversary of the founding of New China), the Daqing Oilfield was discovered as oil gushed from the No. 3 exploratory well in the Song Hua - Liao He basin.

In 1960, the oilfield produced 970,000 tons of crude oil. In 1965 the figure grew to eight million which accounted for 80 percent of the country's total oil output.

In 1963, Premier Zhou Enlai announced that China had become self-sufficient in oil.

The oilfield increased its output to 50 million tons in 1976, becoming one of the few high-yielding oilfields in the world. It has managed to maintain a high annual

output in each of the past 13 years. At present, its annual output of crude oil still accounts for more than 40 percent of the country's total petroleum production.

Altogether, Daqing has produced more than 900 million tons of crude oil, according to Wang Zhiwu, 57, a senior geologist and director of the Daqing City Bureau of Petroleum. Every year Daqing turns over to the state 3 billion yuan (RMB) of revenues, which is 26 times the amount the state annually invests in Daqing.

By October 1 this year, the 40th anniversary of the founding of New China, Daqing's total oil output will have reached one billion tons, Director Wang expects.

In the past 30 years, Director Wang said proudly, Daqing has developed its own systematic and unique oil exploration and exploitation technology. This is a conclusion drawn through comparison by petroleum experts, both Chinese and foreign, including those from the United States and Canada, who have been to Daqing.

He believes that Daqing is advanced in six technical areas. The major three areas are:

- The stratified water injection, oil exploiting technology, which has helped the engineers to get a better idea of the condition of the various strata underground and to make better use of each of the oil reservoirs to stabilize production.
- A systematic exploitation policy and overall planning which have made production practices conform with the conditions of the oilfield and made production forecasting possible.
- Administration of the oilfield by both engineers and workers that makes early recognition and solution of technical and geological problems possible.

Although Daqing is basically self-reliant, it has also started to import technology and equipment, including mobile automatic drilling machines, digital seismographs and other meters and instruments.

When asked the meaning of a 30 meter high sculpture on the square in the city center, Vice Mayor Yi Peifa said that the sculpture, which looks like a flying swan, is a symbol of Daqing. It is full of vigor and hope and flying toward the bright future.

Offshore Appraisal Well Shows Abundant Oil, Gas
OW1208105989 Beijing XINHUA in English
0643 GMT 12 Aug 89

[Text] Beijing, August 12 (XINHUA)—One more appraisal well drilled in the middle part of the East China Sea Basin has an oil and gas flow of industrial development value, further proving the abundant deposit of oil and gas in this area.

The Huangyan 7-1-1 Well, drilled jointly by the South Huanghai Oil Corporation of China National Offshore Oil Corporation and the Shanghai Offshore Geology Bureau under the Ministry of Geology and Mineral Resources, is located offshore 460 kilometers southeast of Shanghai.

According to the test, the appraisal well shows 17 layers totaling 94 meters of oil and gas, of which three layers have a flow equal to a daily output of 740,000 cubic meters of gas and 102 cubic meters of condensate.

Earlier this year the Ministry of Geology and Mineral Resources drilled an appraisal well in the same basin that also has an oil and gas flow of industrial development value.

According to experts, the Huangyan 7-1-1 Well gives further proof that the Huangyan, Pinghu and Yuquan structures in the East China Sea Basin can be developed into "a golden triangle" of gas.

The East China Sea is still virgin territory, its large submarine basin with thick sedimentary rocks in various structures providing great potential for exploitation.

There are calculated to be about 5 billion tons of oil and 200 billion to up 1,200 billion cubic meters of gas deposit in the basin.

China plans to seek foreign cooperation in the development of offshore oil in the East China Sea. Many foreign oil corporations have already shown interest.

'Gadgets' Dominate Patent Applications
HK1408051489 Beijing CHINA DAILY (BUSINESS WEEKLY SUPPLEMENT) in English 14 Aug 89 p 1

[By staff reporter Yuan Zhou]

[Text] While applications for Chinese patents have been snowballing, staff involved in issuing patents have found there are more applications for day-to-day goods than for important technological inventions.

According to the latest Patent Office of China [POC] figures, more than 108,000 applications for Chinese patents, including 22,000 from foreigners, have been submitted since the department started granting patenting rights four years ago.

But of the 86,000 Chinese applications submitted, 73 percent are for goods like household appliances and small tools. And 66.8 percent of the applicants make the gadgets in their own time.

In contrast, of the total 22,200 foreign applications, the overwhelming majority are inventions made by people at their workplace.

There are three types of patent applications in China: inventions, utility models and designs.

Though some people say Chinese patenting is weighted in favour of goods made as a spare-time activity, a senior patenting official defends the system, saying "it doesn't mean Chinese don't want inventions."

Jiang Ying, POC's Deputy Director General, said the tendency towards fewer inventions and more utility models is decided by the stage of China's economic development.

Inventors are more interested in patenting utility models because the simple technology used means they are easier to be approved and put on to the market.

At present, it takes about eight months for the approval of such models and 21 months for inventions.

The POC so far has granted patent rights to 27,000 applications, including 1,800 foreign ones. Utility models account for 83 percent.

A survey of the patents indicates that about 30 percent involved technology transfers, which have greatly benefitted the country's enterprises.

"Of course, we're in favour of more high-level inventions, but it still needs time for China to catch up with advanced countries in this field," Jiang said.

Chinese applicants for patents are most active in technologies such as household appliances, medicine and health care closely relating to daily life. Their foreign counterparts are more interested in technology involving information, computers and chemistry.

It is estimated that there will be a big increase of applications for utility models this year and that applications for inventions and designs will remain at about the same levels as last year.

Jiang said she was "optimistic" about future prospects.

"There will be more high-level technology inventions as the country is continuing to reform and open to the outside world," she said.

Gao Lulin, another POC Deputy Director General, said earlier that the office would try to shorten the time taken in examination and approval.

"Despite the problems caused by the recent turmoil, the office has decided not to let applicants suffer as a result," he said.

According to Gao, the international symposium on "The 21st Century and Patent Work" organized by the Chinese Government and the UN Intellectual Property Organization will take place in early November, as scheduled. Letters of invitation have been sent to more than 120 countries.

Applications from abroad for Chinese patents have come from 59 foreign countries and regions. The United States has submitted 5,739 applications, followed by 5,520 from Japan, 1,861 from West Germany, 944 from France and 571 from Hong Kong.

Applicants from Taiwan have submitted 362 applications, of which 219 were submitted in the first half of this year.

Mass Production of Chlorination System Begins

*OW1208113289 Beijing XINHUA in English
0725 GMT 12 Aug 89*

[Text] Beijing, August 12 (XINHUA)—China has started mass production of a chlorination system for water treatment, greatly improving the country's water purifying techniques, according to city construction departments.

Using imported equipment and techniques, the Beijing No. 7 Automation Instrument Plant started producing the country's most advanced chlorination system, badly needed by water treatment plants, power stations and some key projects to which clean water is indispensable.

With an annual output of 200,000 sets, the plant is the first in China to turn out such equipment, which has proved to be effective and safe.

Military

Further on Chi Haotian's 8 Aug Speech

*OW1108093289 Beijing Television Service
in Mandarin 1000 GMT 8 Aug 89*

[From "National News Hookup" program]

[Text] The General Staff Department held a ceremony to celebrate the first publication of the "Militia in Modern China" [Dang Dai Zhong Guo Min Bing] in Beijing on 8 August. The "Militia in Modern China" is the first authoritative historical book that comprehensively sums up militia building since the founding of new China. [Video shows large room with military and civilian personnel sitting at long tables; caption "Ceremony Marking the First Publication of the Voluminous Encyclopedia 'Militia in Modern China'" shown on screen; video cuts to closeup of Chi Haotian speaking in front of microphones]

The book reviews the progressive development of the militia in China as well as its great role played in the course of long-term revolutionary war. It focuses on the

great contributions made by the militia in strengthening people's democratic dictatorship; safeguarding national defense; promoting the development of production; carrying out urgent rescue missions in disaster areas; fulfilling key projects; and participating in urgent, dangerous, and difficult missions since the founding of the PRC. [Video cuts to brief documentary footage of Mao Zedong inspecting a minority nationality militia unit; file footage of militia in action, in training, and in construction; video returns to meeting with closeup of Chi Haotian]

In his speech, General Chi Haotian, chief of general staff, pointed out: As an integral part of the three-in-one combination [fight, work, and production] of the country's Armed Forces, the militia is an important force for not only resisting aggression to protect the security of the country but also preventing social turmoil to maintain national stability. Localities that attach importance to militia work and give play to the role of the militia enjoy stabilized public order as well as a peaceful and tranquil environment to promote economic development. During the recent struggle to put an end to the turmoil and quell the counterrevolutionary rebellion, the people's armed police force at all levels and the broad masses of militiamen made new contributions once again through active coordination with the martial law enforcement troops and units stationed in various localities to preserve public order and guard and protect important installations; they stood fast at production posts, safeguarded peace and tranquility in border areas, upheld the cause of the party and socialism, and brought about overall stability throughout the country. Proletarian revolutionaries of the older generation attach great importance to militia building in our country. It is our duty to remain absolutely firm and unshakable in adhering to the militia system and strengthening militia building.

Editorial Praises Army-People Unity
HK1308082489 Beijing JIEFANGJUN BAO
in Chinese 1 Aug 89 p 1

[Editorial: "Insist on One Focus and Two Basic Points; Further Cement the Army-Government and Army-People Relationships"]

[Text] Full of pride and enthusiasm, the Army's cadres and soldiers are marking the 62d anniversary of the Army's founding, together with the people of the whole nation in the wake of the decisive victory in halting the riot and quelling the counterrevolutionary rebellion in Beijing.

On the eve of "1 August," Central Military Commission Chairman Deng Xiaoping personally wrote the inscriptions "Defenders of the Republic" and "Defenders of Beijing" for the troops imposing martial law in Beijing. This is a very high assessment by the supreme commander of the historic meritorious services rendered by the troops enforcing martial law in halting the riot and

quelling the counterrevolutionary rebellion, and has expressed his earnest hope for all troops armywide. It will surely greatly encourage and stimulate the commanders and soldiers armywide to make new contributions to the motherland.

On the occasion of celebrating this festival, we would like to extend our festive congratulations and regards to the troops imposing martial law in Beijing, who have rendered outstanding meritorious services; our comrades-in-arms fighting at sea, the frontier, and all parts of the motherland; all comrades of the Armed Police Force, old comrades in retirement, dependents of revolutionary martyrs and active servicemen as well as disabled revolutionary servicemen, ex-servicemen, officers and men in reserve service and all militiamen! We should like to extend our heartfelt thanks and appreciation to governments at all levels and the people, who warmly cherish and support the People's Army in a big way!

The fight to quell the counterrevolutionary rebellion is a great event in the chronicles of the Republic as well as an important chapter in the Army's history of development. This particular struggle has been a severe test for the Army, and it has provided us with many precious revelations. It has enabled us to have a deeper grasp of the utmost importance of Army-government and Army-people solidarity, and urged us to bring work in supporting the government and cherishing the people to a higher plane in a more conscious way.

The nature of our Army is embodied in the fact that the People's Army cherishes the people. The document, "Resolution on Several Historical Issues Since the Founding of the PRC" has pointed out: "The victory of the Chinese revolution is owed chiefly to the new-type People's Army, which has maintained flesh-and-blood ties with the people, by overcoming strong enemies through long-term people's war under the party's leadership." The practice of long-term revolutionary struggles has proven that without the Army's flesh-and-blood ties with the people, there would not have been a People's Army, the people's war, and the victory of the Chinese revolution. Likewise, the smooth progress of peacetime Army reform and building would have been out of the question without a sound Army-people friendly relationship and close cooperation. Especially today, strengthening Army-government and Army-people solidarity is of particularly great significance in promoting the great unity of the people of all nationalities across the country, in safeguarding the political situation of stability and unity, and in implementing the spirit of the 4th Plenary Session of the 13th Central Committee.

Common ideals, faith, and goals of struggle are the political basis for Army-government and Army-people solidarity. Here lies the root cause for the rock-firm army-government and Army-people relationships, which are as inseparable as fish and water. This political basis had different specific essences in various historical periods. During the War of Resistance Against Japan,

the political basis of such relationships was to defeat the Japanese invaders for national salvation. During the period of the War of Liberation, the political basis was to defeat Chiang Kai-shek for nationwide emancipation. Today, the political basis of Army-government and Army-people relationships is the adherence to "one focus and two basic points," and the realization of the four modernizations to reinvigorate the Chinese nation. In the long progress of the Chinese revolution, the Army and people united closely under a common banner; they were bound by a common cause, inseparable like fish and water, and succeeded in building a genuine impregnable fortress. Eventually, with the founding of the People's Republic, they overthrew imperialism, feudalism and bureaucrat-capitalism, which weighed like mountains on the backs of the Chinese people. In the new period of socialist modernization, the Army-government and Army-people relationships should be founded on a solid common political basis as always, only then will it be possible for them to have a common goal and language, and to share the same fate in common struggles. The great accomplishments in the 10-year reform and opening up are owed precisely to the fact that people of all nationalities, the Army and the people nationwide have adhered to "one focus and two basic points," united in struggles, and continuously overcome all kinds of difficulties on the way to progress under the CPC leadership. Unfortunately, some masses, being ignorant of the facts, were incited to besiege and block troops imposing martial law, and in the recent riot and counterrevolutionary rebellion did things that only saddened the people and gladdened the enemy. That was precisely the ill consequence of people's confused thinking resulting from the long-term failure in adhering to the four cardinal principles, and connivance and support of bourgeois liberalization, especially during the period when Comrade Zhao Ziyang was in charge of the Central Committee. Reviewing our painful experiences now that the storm is over, we have never before so profoundly seen as we do today the great importance of this political basis in cementing the unity of people of all nationalities, and promoting the Army-government and Army-people solidarity.

To further strengthen the Army-government and Army-people solidarity, it is imperative for us to start from insisting on "one focus and two basic points" in the spirit of the 4th Plenary Session of the 13th Central Committee, and to do a better job in supporting the government and cherishing the people, so that the Army and the government, the Army and the people, guided by a common political goal in one heart and soul may adhere to the four cardinal principles, oppose bourgeois liberalization, and promote the faster and more effective progress of reform and opening up to the world, while they march shoulder to shoulder along the road of socialism with Chinese characteristics. To accomplish this, it is primarily necessary for the Army to persist in its purpose of serving the people heart and soul, and to give full play to its role as a staunch pillar of the people's democratic dictatorship. "The Army exists only to ban

violence and to rid the people of scourges."¹⁰ The basic task of the Army, as loyal defenders of the Republic, is to consolidate national defense, to resist invasion, to defend the motherland, and to safeguard people's peaceful labor. To perform this basic function means to support the government and cherish the people to the greatest extent. Under the wise and resolute command of the Central Committee, the State Council, and the Central Military Commission, the troops imposing martial law in Beijing successfully quelled the counterrevolutionary rebellion in a single action, thus safeguarding the people's basic interests. That was precisely the most effective action to safeguard the political basis for the Army-government and Army-people solidarity. We should be still firmer in maintaining political unanimity with the Central Committee, and obey orders from the Central Committee, the State Council and the Central Military Commission in all our actions. We should firmly maintain all criteria for combating ineffectiveness, do all items of work concerning the troops in a down-to-earth way, push forward the building of a revolutionary, modern and regular Army, take up our responsibilities, and make due contributions to guaranteeing national security and safeguarding domestic stability.

To further strengthen the Army-government and Army-people solidarity, it is also necessary for us to operate in strict accordance with the party's principles and policies in our ties with localities. Because of Comrade Zhao Ziyang's erroneous line, ideological and political work in all fields has been seriously weakened in recent years, and the unhealthy tendency characterized by "looking forward to money in everything" has also poisoned the sound Army-people relationship. We must further bring forward the Army's fine tradition of supporting the government and cherishing the people, resist and overcome unhealthy tendencies of every description, and do more and better practical work for the localities and masses. Doing practical work means tasks in rushing to deal with emergencies and helping people to tide over natural disasters, and participating in and supporting local economic construction. It also means continuously doing a good job in building socialist spiritual civilization in Army-people joint efforts. Because of a strained military budget, the troops are limited in their means, making it impossible to contribute more money and materials to supporting localities. The key to building spiritual civilization in Army-people joint efforts is to implement "one focus and two basic points," actively disseminate the adherence to the four cardinal principles as the groundwork for building the nation, and to firmly take the road of making the nation rich and strong through reform and opening up to the world. For example, the troops may help localities in disseminating the lofty ideal of communism, the goal of "realizing the four modernizations to reinvigorate the Chinese nation," and socialist ethics, relaying the party's policy of making the people well off and information on people becoming well off, conducting education in democracy and the legal system, as well as exchanging experiences in

strengthening ideological and political work. In a down-to-earth way, they may conduct education in the four cardinal principles, reform and opening up to the world, patriotism and national defense as well as the tradition of hard work and bitter struggle. In addition, together they may unfold activities in learning from Lei Feng, and establishing a new social atmosphere while breaking with old customs. If Army-people relationships are built on such a solid political basis, they will closely cooperate in peacetime, and exert joint efforts to fight against whatever storms at a crucial moment; thus Army-government and Army-people solidarity will be all the more cemented.

Marking the birthday of the People's Republic this year, both the Army and people have found its significance greater than usual. Having gone through stormy tests, the Army-government and Army-people relationships grounded on common ideals and faith have become still more solid. In implementing the spirit of the 4th Plenary Session of the 13th Central Committee, it is required that thinking be unified at deeper levels. It is imperative to earnestly study well the documents of the 4th Plenary Session and the three important speeches by Chairman Deng Xiaoping, to review the past, to sum up the present, and to create a future by adopting a correct stand, perspectives and approaches. So long as the Army insists on "one focus and two basic points," unites closely with the people, and serves them heart and soul, it will certainly win their deeper understanding and faith and greater support from the masses and governments at all levels.

If the Army and people unite as one, who on earth can beat them!

Economic & Agricultural

JINGJI RIBAO Refutes Inflation Theory
HK1208043389 Beijing JINGJI RIBAO
in Chinese 28 Jul 89 p 1

[Commentator's article: "Commenting on the 'Theory That Inflation Is Beneficial'"]

[Text] The marked inflation that has existed in China's economic life in recent years has roused extensive concern. True, a galloping economic growth, excessive investment scope and irrational economic setup have contributed to inflation, but analyzing subjectively, we found that the deviation in our guiding idea, especially the "theory that inflation is beneficial" has played a great role.

Is inflation really beneficial? That was originally a question that was beyond debate. Theoretical confusion in recent years however, has led to muddle-headed understanding of various descriptions. Hence, an incorrect policy in practice. Therefore, further clarification of this issue is of great importance to rectifying the guiding idea for economic construction.

Has inflation been really beneficial? We say no. In China, inflation has been anything but beneficial to steady economic growth as well as the smooth development of reform.

The "theory that inflation is beneficial" was "imported," derived from the British economist Keynes. Regarding the situation characterized by the lack of effective demand in the West, namely, the surfacing of relative overproduction in a certain period, Keynes proposed the extension of credit loans to stimulate economic recovery. Some countries have attached great importance to this idea, but it does not fall in line with China's national conditions. From a short-term view, inflation may stimulate economic growth in places where their natural resources and productive forces are laying idle. However, China's present national conditions are characterized by a relative shortage of natural resources, excessive effective demand, and a relative shortage in supply. Under such circumstances, inflation would only bring continuous price hikes, and greatly endanger the national economy.

First, inflation has widened the general social supply-demand gap, and ruined economic stability. We cannot but see that eventually the expansion in investment, and consumption demands resulting from the expansion in credit loans has to be halted to reduce demand and to conduct structural readjustment because of overproduction and natural resources that are lying idle. Consequently, high-rate economic growth failed, although inflation did succeed in activating some natural resources that were lying idle and promoting a false "superhigh rate of economic growth." The memories of some incidents are still fresh in our minds. For example, the unrestrained supply in credit loans toward the end of 1984 resulted in the superhigh growth rate of the processing industry in 1985 as well as aggravating the structural imbalance between the processing industry, capital industry and raw material industry, and eventually the "slamming on of the brakes" in 1986. That should have served as a profound lesson, but regretfully, some comrades failed to think deeper about it. They continued to act wilfully in the same direction in the following years. Thus they have confused the economic concepts and operation, and brought greater difficulties to construction.

Second, the normal order of production, circulation and consumption has been lashed at. Continuous price hikes resulted from inflation, and consumers' anxieties over devaluation have led to panic buying and even stock piling, while the market visibility was greatly weakened. Consequently, the enterprise found it very difficult to conduct market forecasts, decisionmaking on production and investment, and to achieve a balance in production. At the same time, with stockpiling in the circulation links, "official profiteers" and "speculators" running amuck, the circulation channels were blocked. In addition, the citizens kept drawing funds from the bank intending to preserve its value. That in turn affected the normal conversion of savings deposits to investments.

And third, the contradiction of unfair social distributions has aggravated. Those who advocate the theory of inflation said that increasing the issuance of banknotes is favorable to improving the distribution structure. That does not hold water. People see that the results of income distribution under inflation are obviously unfavorable to the workers and staff of enterprises and institutions, whose incomes are fixed, but favorable to individual commercial households and peddlers, whose incomes are rather flexible. They are unfavorable to those honest hard-working savings depositors, but favorable to those who pursue speculation with credits from the bank. In China, price hikes chiefly involve daily necessities, therefore, ordinary consumers with low incomes have been first hit, while those who have high incomes are also affected because of savings devaluation. All this has negative psychological effects, and is unfavorable to the stability of economic life and the society as well as a hotbed that gives rise to unfair distribution.

Besides, inflation has also blocked in-depth reform. For example, price hikes would invariably cause citizens' strong reaction. Such effects could hardly be countered by some subsidies. At the same time, inflation is bound to injure the interests of some social strata, and liable to intensify social contradictions, which are unfavorable to shaping a stable social environment, which in-depth reform needs. The obstruction of inflation to smoothing up prices is just too obvious.

In short, inflation is not beneficial but injurious. Resorting to inflation to promote economic growth at the cost of stable prices is indeed suicidal. At present, we should have a better understanding in the danger of inflation, and do a good job in improvement and rectification, deepening reform, halting and eliminating inflation, and promoting stable economic growth under the unified arrangements and leadership of the Central Committee and State Council.

Article Rejects Western Consumption Patterns
OW1108202889 Beijing XINHUA in English
1029 GMT 11 Aug 89

[Text] Beijing, August 11 (XINHUA)—The socialist system and China's present economic growth rate do not allow China to follow the consumption pattern of developed countries, the "ECONOMIC DAILY" reported today.

In a signed article, the paper says that some Western countries adopted a series of measures to stimulate consumption after World War Two in a bid to continue economic growth. These measures did create prosperous economies for capitalist countries to some extent.

However, China's economic development and market system are entirely different from capitalist countries. There does not exist the phenomena of insufficient

consumption and excessive supply of commodities. Therefore, advocacy of hyper-consumption is bound to lead to disorder in the national economy, the paper stresses.

In the wake of economic reform and adoption of the open door policy, the consumer habits of developed countries were introduced into China along with advanced technology and equipment, the paper reports.

Many people failed to see that the popularization of industrial durable goods in Western countries was based on a highly developed industrial system and a high gross national product.

If no measures are taken to control hyper-consumption among people, there will be a premature increase in consumption in the country, the paper says, adding it will greatly hinder China's economic construction.

In the first place, premature establishment of a consumer society will require large amounts of limited foreign exchange to import expensive consumer durables from other countries, thus causing an adverse balance of trade.

Secondly, a premature shift to large scale consumption will draw a large amount of manpower, material and funds to the production of consumer goods and cause an imbalance in supply and demand.

Thirdly, bank savings deposits will decrease.

China's policy concerning consumption should conform with the actual conditions of the country. Measures must be taken to prevent the formation and expansion of a consumer society, the paper says.

Duties Increase on Selected Commercial Items
OW1608122289 Beijing XINHUA in English
1157 GMT 16 Aug 89

[Text] Beijing, August 16 (XINHUA)—China has begun to increase import duty rates on six kinds of commercial goods and impose export duties on two types of mineral products in order to protect the development of national industries and limit the export of raw materials in short supply at home.

According to a customs official, the decision came into force August 11.

He told XINHUA that the commercial goods involved are coffee, syrup, vacuum cleaners, electronic games, cosmetics and soap. The mineral products are lead and zinc ores and concentrates.

The import duty rate on coffee was increased from 60 percent to 100 percent, on syrup from 20 percent to 70 percent—plus an import adjustment tax of 50 percent, on vacuum cleaners from 80 percent to 100 percent—

plus an import adjustment tax of 50 percent—and on electronic games from 60 percent to 100 percent—plus an import adjustment tax of 40 percent.

The import duty rates on cosmetics and soap were increased from 100 percent to 120 percent and from 60 percent to 100 percent, respectively. In addition, import adjustment taxes of 50 percent each were imposed.

The customs also imposed export duty rates of 50 percent each on lead and zinc ore and concentrates.

Audit Shows Firms' Low Productivity Growth

OW1108095589 Beijing XINHUA Domestic Service
in Chinese 1408 GMT 4 Aug 89

["Local Broadcast News Service"]

[Text] Beijing, 4 Aug (XINHUA)—(By correspondent Wang Qian [3769 0241] and reporter Fu Gang [0265 0474]) According to an audit investigation conducted by the State Auditing Administration, the increase in consumption funds of some enterprises has considerably outstripped the increase in labor productivity.

The investigation shows that in 1988, the total payroll of 29 enterprises under the jurisdiction of Nanjing City was 150 million yuan, topping the total payroll of 1987, which was 130 million yuan, by 17.9 percent. But the output value, profits, and taxes registered by these enterprises increased only by an average of 8 percent. The total amount of profits and taxes even dropped by 10.5 percent. These enterprises actually paid 140 million yuan to workers in wages, topping 1987 by 40.6 percent, but labor productivity increased only by 6.6 percent.

According to another investigation, as compared with 1987, labor productivity of 4 large and medium-sized enterprises in Wuhan City and Xiangfan City increased by 13.7 percent in 1988, but workers' payroll increased from 25.64 million yuan to 33.1 million yuan, a 29-percent increase. As compared with 1985, profits of 13 commercial enterprises in Wuhan City in 1987 decreased by 1.6 percent, but bonuses for individual workers increased by 57.1 percent. From January to October 1988, sales revenues of 10 commercial enterprises in Xiangfan City increased by 54 percent, but total expenditure for bonuses increased by 109 percent.

Government To Give Priority to 'Backbone' Firms

OW1008110289 Beijing XINHUA in English
0954 GMT 10 Aug 89

[Text] Beijing, August 10 (XINHUA)—China will give priority to the development of 600 backbone machinery and electronics enterprises, "PEOPLE'S DAILY" reported today.

The effort is aimed at adjusting the industrial structure, strengthening macrocontrol, and helping the development of agriculture and basic industries in the country, the newspaper quoted an official from the Ministry of Machinery and Electronics Industry as saying.

The official said the 600 backbone enterprises shoulder the important task of providing equipment for agriculture and basic industries such as energy, transport, and raw material industries. They are also important sources of state revenue.

"Thus enlivening these enterprises is of great importance for increasing state revenue, strengthening national power and stabilizing China's economy," said the official.

According to the official, many of the 600 backbone enterprises are encountering difficulties in fund circulation because of price hikes of raw materials.

To ensure normal operation of production and management in these enterprises, the Ministry of Machinery and Electronics Industry decided to work jointly with different banks in the country to develop ways to help these enterprises solve their difficulties, the official added.

Results Bring Spark Plan Expansion

OW1108095689 Beijing XINHUA Domestic Service
in Chinese 1405 GMT 9 Aug 89

[By reporter Jiang Zaizhong; "Local Broadcast News Service"]

[Text] Beijing, 9 Aug (XINHUA)—On the basis of marked results achieved in implementing the Spark Plan and in a bid to continuously promote the rural economy, the state again arranged 320 state-level Spark Plan projects this year.

The Spark Plan is a plan using science and technology to invigorate the rural economy. The spark of science and technology has now spread to some 2,000 cities and counties in the whole country. Owing to the implementation of the Spark Plan projects, by the end of 1988, output value increased by 139.8 million yuan, profits and taxes amounted to 3.6 billion yuan, and \$1.614 billion in foreign exchange was saved or earned.

Forum Reviews Port, Highway Construction

OW1508042789 Beijing XINHUA in English
1354 GMT 14 Aug 89

[Text] Tianjin, August 14 (XINHUA)—China has constructed a number of key port, highway, and inland river communications projects during the first half of this year, according to a national forum on communications construction which ended here today.

China plans to build 26 deep-water berths this year, and by the end of July, 5 such berths—4 in Guangdong Province's Zhanjiang and 1 in Shanghai—had been

completed, with a total loading and unloading capacity of 3.8 million tons. In addition, expansion work is 40 percent complete at Ningbo, Shantou, Yantai, Lianyungang, and Yangpu ports, according to the forum.

This year is seeing the largest investment ever in highway construction. By June, 13 provinces and autonomous regions had reached more than half of their annual highway construction targets.

The Shenyang-Dalian Expressway in Liaoning Province is the longest express highway project to be built during the Seventh 5-Year Plan period (1986-1990). Its foundation work is expected to be finished by the end of this year.

Meanwhile, construction of the Beijing-Tianjin-Tanggu Expressway is going smoothly. The Beijing-Tianjin section is planned to be completed before October next year.

In inland river construction, a canal to link the Grand Canal with the Qiantang River has been constructed. Moreover, dredging and other improvements have been completed on the Xiang River, on rivers in Suzhou City in Jiangsu Province, and other rivers.

Minister of Communications Qian Yongchang said the central and local authorities have allocated 9 billion yuan this year to build key port, highway, and inland river communications projects.

Plan Outlines Hydropower Station Construction
HK1608082589 Beijing ZHONGGUO XINWEN SHE
in Chinese 0414 GMT 10 Aug 89

["China Will Build a Number of Large and Medium-sized Hydropower Stations"—ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 10 Aug (ZHONGGUO XINWEN SHE)—The Ministry of Energy Resources recently announced that in the next 10 years, China will concentrate strength on building a number of large and medium-sized hydropower stations.

JINGJI RIBAO today carried a report, saying that the Ministry of Energy Resources has worked out an initial plan for developing the hydropower industry. The main projects will be built in the upper valley of the Huang He, the upper and middle valleys of the Chang Jiang and its tributaries, the valley of the Hongshui He, and the middle and lower valleys of the Langcang Jiang. At the same time, in the comparatively developed areas of east, central, and northeast China, where there is a shortage of energy, hydraulic energy will be developed in depth by expanding and rebuilding existing power stations. New hydropower stations will also be built there in connection with water conservancy projects. In the areas where there are no coal resources and no convenient transport facilities, some small and medium-sized power stations

with good construction conditions will first be built. In the eastern areas, some large-capacity energy-reserved power stations will be built to meet peak adjustment requirements in the electricity grid.

The Ministry of Energy Resources and the Ministry of Water Resources have jointly worked out a plan, which lists a number of large and medium-sized hydropower projects that China will build in the next few years. They include the Longtan Power Station in Tiane of Guangxi, the Laxiwa Power Station in Guide of Qinghai, the Pubugou Power Station in Shimian of Sichuan, the Dazhaoshan Power Station in Yunxian of Yunnan, the Pengshui Power Station in Peiling of Sichuan, the Wanjiamianhuatan Power Station on the border between Zhunger of Inner Mongolia and Pianguan of Shanxi, the Hongjiadu Power Station in western Guizhou, the Lianhua Power Station in Hailin of Heilongjiang, the Daxia Power Station in Gaolan of Gansu, the Jiangya Power Station in Cili of Hunan, the Linjiang Power Station in Hunjiang of Jilin, and the Jilintai Power Station in Yining of Xinjiang.

It is expected that on average the power station projects being started each year will have a total generating capacity of 5 million to 6 million kilowatts.

Daily Cited on Developing Fertilizer Equipment
OW1108204589 Beijing XINHUA in English
1025 GMT 11 Aug 89

[Text] Beijing, August 11 (XINHUA)—China should work out decrees, adopt preferential policies and increase investment to encourage and support domestic production of heavy chemical fertilizer equipment, the ECONOMIC DAILY suggested today.

The paper noted that since the 1970s China has imported 18 sets of heavy fertilizer equipment and only one set manufactured in China was erected—in Sichuan Province.

Because about 30 percent of the increase in China's farm output depends on chemical fertilizer, the development of fertilizer production is directly related to the food supply of the 1.1 billion Chinese people. Though the chemical fertilizer industry has kept growing at a 21 percent annual pace over the past three decades, the supply of fertilizer is far from meeting demand, the ECONOMIC DAILY Reported.

By the year 2000, China's annual fertilizer output should reach 150 million tons which will call for great expansion of the production capacity. In the process, the state should invest billions of yuan (3.7 yuan is equal to one U.S. dollar) in developing the industry.

China now imports about 20 million tons of fertilizer a year, about 20 percent of the domestic supply.

The paper noted that China has a strong machine tool industry and the expertise needed for manufacturing heavy fertilizer equipment. The difficulty with establishing a domestic industry is the lack of a coherent set of policies to encourage domestic production of chemical fertilizer equipment. For example, an enterprise which imports heavy fertilizer equipment can enjoy preferential treatment while an enterprise which engages in the development of equipment does not get any preferential treatment.

In addition to favorable decrees and policies, the paper suggested that a risk fund should be established so that the state and enterprises share research and development risks. Local governments should also ensure the supply of funds, materials and processing facilities and provide other conditions necessary for setting up a fertilizer equipment industry.

Agricultural Bank Implements Operation Plan
OW1108195689 Beijing XINHUA in English
1356 GMT 11 Aug 89

[Text] Beijing, August 11 (XINHUA)—The Agricultural Bank of China has followed an "intensive operation plan" since 1988 and achieved primary success, the PEOPLE'S DAILY reported today.

The plan, by adopting systems engineering management, has pushed forward reform and development of the bank and improved operations, including loan review, restructuring loans, instituting a presidential responsibility system, upgrading financial firms and improving workers' quality.

Through reviewing loans, the bank has a better understanding of the number of irrational loans and their structure, recovered 13.152 billion yuan of overdue and idle loans, improved management of risk loans and set up a system for classification, registration and examination of abnormal loans.

During the review process the bank also found that there was an irrational structure in agricultural loans. The main problems are insufficient investment in farming, excessive loan size for purchasing farm produce, inconsistent fund resources, duplication of low tech capital construction projects in rural industry, a low proportion of long term agricultural loans and an excessive proportion of abnormal loans.

The agricultural bank is preparing to adjust the structure of rural loans within two years so as to promote rationalization of rural industries, enterprises and products and coordinate the development of rural economy.

East Region

Anhui Secretary Hears Report on Heroic Deeds

OW1608043489 Hefei Anhui Provincial Service
in Mandarin 1100 GMT 12 Aug 89

[From "Provincial Hookup" program]

[Excerpts] The fifth subgroup of the lecture group on heroic deeds in quelling the Beijing counterrevolutionary rebellion made a report at the Anhui Theater in Hefei this morning. Provincial party, government, and military leaders, as well as representatives from all sectors of society, totaling 1,700, heard the report. Niu Xiaomei, member of the Standing Committee of the provincial party committee and head of the Propaganda Department of the provincial party committee, presided over the meeting. [recorded message omitted]

At the report meeting on deeds of heroes and models, Senior Colonel Wang De, head of the subgroup and deputy political commissar of a martial law unit, spoke first.

[Begin recording] The title of my report is "The Spirit of the Defender of the People's Republic is [words indistinct]." The capital of Beijing, after going through more than a month of turmoil, saw an appalling counterrevolutionary rebellion on 3 June 1989. The People Liberation Army [PLA] martial law troops, under orders from the party Central Committee, the State Council, and the Central Military Commission, in close coordination with the Armed Police Force and public security cadres and policemen, and with the assistance from the local governments and the masses in the capital, crushed the counterrevolutionary rebellion at one blow, defended the People's Republic of China founded by tens of millions of revolutionary martyrs with their blood and lives, and protected the socialist system and the fundamental interests of the people. In the struggle of checking the turmoil and quelling the riot, the massive number of cadres and soldiers of the martial law units created and carried forward the epic spirit of [words indistinct] which was chiefly manifested in their clear-cut stand and strong will to protect the party, the motherland, and the people; [words indistinct; end recording].

Major (Jiang Guicheng), member of the lecture group and political instructor of a martial law unit; Sergeant First Class (Yu Aiqing), defender of the People's Republic and platoon leader of a martial law unit; Lieutenant (Li Ning), deputy political commissar of the Fifth Detachment, Beijing Armed Police Command; (Wang Shilun), secretary of the party committee of Beijing Tongren Hospital; and (Gao Kefeng), deputy head of (Yongmai) Police Station of Chongwen Public Security Subbureau in Beijing, individually reported the heroic deeds of martial law units, the Armed Police Force, public security departments, and Beijing residents in quelling Beijing counterrevolutionary rebellion.

Lu Rongjing, secretary of the provincial party committee, spoke at the end of the meeting.

[Begin recording] Comrades, the lecture group comrades just reported on the counterrevolutionary rebellion in Beijing, on the heroic deeds of PLA martial law troops, Armed Police officers and men, public security cadres and policemen, [words indistinct]. We must [word indistinct] the guidelines of the 4th Plenary Session of the 13th CPC Central Committee, [words indistinct] the leadership of the party Central Committee, firmly carry out the line, principles, and policies of the party Central Committee. [words indistinct; end recording]

Party, government, and military leaders attending today's report meeting were Wang Guangyu, Shi Junjie, Meng Fulin, (Chen Guanghua), Liu Guangcai, Liu Xiaomei, Zhao Baoxing, (Wang Shengzhi), [name indistinct], Shao Ming, Zheng Rui, Du Weiyou, (Du Hongben), Long Nian, Xu Leyi, Wang Zenong, Pan Ezhang, Ma Leting, Guang Renhong, Meng Yiqi, Liu Yiping, (Zhao Huaishou), and (Zhang Zhigao); responsible persons from the PLA Electronic Engineering School, Hefei Artillery School, the provincial Armed Police Command, as well as responsible persons of Hefei City party committee and Government, such as Zhao Zengyi, (Gao Yuanke), (Chen Zhijie), (Qi Guangtai), (Peng Guanglin), and Zhong Yongsan, also heard the report.

Anhui Issues Notice on Plenum Guidelines

OW1608023589 Hefei Anhui Provincial Service
in Mandarin 1100 GMT 10 Aug 89

[Text] After deliberation by a chairman's meeting of the provincial People's Congress Standing Committee, the General Office of the provincial People's Congress Standing Committee recently issues a notice to all city and county People's Congress Standing Committees and all district People's Congress work liaison offices, calling on city and county People's Congress Standing Committees to organize provincial People's Congress deputies to unfold activities centering around the implementation of the guidelines of the 4th Plenary Session of the 13th CPC Central Committee.

The notice calls on People's Congress deputies to seriously study the guidelines of the 4th Plenary Session of the 13th CPC Central Committee and Comrade Deng Xiaoping's important speeches, to organize, in a planned way, People's Congress deputies to examine the central authorities' prescribed four tasks and their decision to accomplish seven tasks of great concern to the people in the near future, to heed the masses' opinions and demands, to strengthen their supervision of government work, to report to local or higher level People's Congress Standing Committees, governments, courts, and procuratorates in various ways any people breaking laws and discipline. People's Congress Standing Committees, governments, courts, and procuratorates at all levels must support People's Congress deputies in staging various

activities in accordance with the law, protect the legitimate rights of People's Congress deputies, and deal sternly with those retaliating against People's Congress deputies who expose them.

The notice also requires that an arrangement of activities must take into account of the actual situation, be sound and effective, and stay away from corruption.

Anhui Party Meeting Discusses Corruption
*OW1608102589 Hefei Anhui Provincial Service
in Mandarin 1100 GMT 5 May 89*

[Text] The provincial party committee held a Standing Committee meeting on 4 May to further study the decision of the CPC Central Committee and State Council on accomplishing several deeds in the near future which are of common concern to the people, and to discuss the question of how to fulfill this decision. Attending were principal responsible comrades of the provincial Advisory Commission and the provincial People's Congress Standing Committee, vice governors of the provincial government, and major responsible comrades of the provincial Chinese People's Political Consultative Conference [CPPCC] Committee and provincial Discipline Inspection Commission.

The participants expressed their resolute support to the central authorities' decision and unanimously maintained that the decision of the party Central Committee and State Council to accomplish seven deeds in the near future which are of common concern to the masses and to ask the leading comrades of the party Central Committee and State Council to play an exemplary role in fulfilling these tasks reflects the good spirit and style of the party Central Committee with Comrade Jiang Zemin as its nucleus, sets a good example for the whole party, and is of great significance in ensuring the honesty and integrity of party and government organs, in punishing corruption, and in inspiring the spirit of the whole party and people.

Comrades maintained that the circular of the provincial party committee and government on fulfilling five tasks well in the interest of maintaining government integrity and punishing corruption is in line with the guideline of the central authorities' decision and meets Anhui's actual need. The five tasks must be integrated with the implementation of the central authorities' decision and be fulfilled well.

The meeting adopted a resolution concerning the central authorities' decision on accomplishing seven deeds in the near future as well as the decision of the provincial party committee and government to accomplish five tasks right now. The resolution stresses that in general, success in maintaining government integrity and punishing corruption hinges on the leadership. In Anhui, this means that first of all leading members of the provincial party committee and government must be able to stand

the test. They must follow the example of leading comrades of the party Central Committee and State Council in taking the lead in being models. Some comrades said: To correct the mistakes of others, one must first correct one's own mistakes. A leader who fails to set a good example in being honest himself has no right asking others to be honest.

Responsible comrades of the provincial party committee and government unanimously stressed that currently it is necessary for the leaders to strictly abide by the rules and regulations issued by central authorities, the provincial party committee, and the provincial government which stipulate that cadres and their spouses, their children, and spouses of their children should not go into business for themselves; that cadres should return their extra housing space to the government; that cadres should not do expensive repair jobs to their houses; that cadres should limit their number of trips abroad; that cadres should not accept presents; and that cadres should strictly abide by rules concerning the use of official cars. All cadres should strictly abide by these rules under all circumstances and without exception.

The meeting ruled that the results in implementing the rules of the central authorities and the provincial party committee and government on maintaining government integrity and preventing corruption should be regarded as an important aspect of the forum on a democratic lifestyle attended by leaders of the provincial party committee and government. The results should be checked regularly. Criticism and self-criticism shall be conducted periodically. At the same time, forums of nonpartisan personages and retired veteran comrades shall be held from time to time to hear their views about the work of the provincial party committee and government including views on the ideology and life style of responsible comrades of the provincial party committee and government.

Responsible comrades of the provincial party committee and government unanimously expressed their welcome for the supervision by cadres and masses. Should any responsible comrade be found violating the regulation on maintaining government integrity and punishing corruption or any laws and disciplinary rules, the cadres and masses may report the violations to authorities concerned by various channels and by various means. The authorities should immediately look into the violations, deal with the violators, and report the results to departments concerned. When necessary, the results may also be publicized. The safety of all informers is protected. Anyone retaliating against an informer shall be dealt with strictly.

The meeting maintains that regulations in no uncertain terms on maintaining government integrity and punishing corruption have been worked out by authorities concerned from high levels to grassroots. An atmosphere very favorable to the implementation of these regulations has gradually taken form. The crux of the matter

now is resolute action, not just words. Currently, the most important tasks are to investigate and handle major cases involving party and government cadres, particularly leading cadres, who abuse power for personal gain, indulge in corruption, or accept bribes; to further screen and regulate companies; to correct irregularities in housing; to ban banquets and gifts at the government's expenses; to strictly control the use of government cars; and to restrict travel abroad by leaders, thereby continuously deepening the struggle to punish corruption.

In the struggle to punish corruption, responsible comrades of the provincial party committee and government must take the lead in resisting the unhealthy practice wherein people of influence intercede for their relatives or friends who have broken the law, and in daring to offend those in power. When investigation is deemed necessary for a certain case, it does not matter who may be involved in it. The case should be thoroughly investigated and strictly handled without compromises.

The provincial party committee and government should concentrate their attention on supervising cadres at and above the prefectural, department, and bureau levels; conduct periodic evaluation of their performances; and exercise strict supervision over them. Problems discovered should be promptly investigated and dealt with. Provincial level organs should take the lead in promoting integrity, efficiency, and unity; and should be models for the whole province.

The meeting also calls on departments concerned to rapidly formulate specific regulations and related measures and report them to the provincial party committee or government for approval and implementation.

Leading comrades of the provincial Advisory Commission, the provincial People's Congress, and the provincial CPPCC Committee said that because these three organs have more veteran comrades than any other organ, they should take the lead in carrying forward the party's fine tradition; earnestly implement regulations of the party Central Committee, the State Council, and the provincial party committee and government; and be models to the middle-aged and young cadres.

Fujian Secretary Speaks on Party Building
OW1608035389 Fuzhou FUJIAN RIBAO in Chinese
26 July 89 p 1

[Text] Chen Guangyi and Jia Qinglin, respectively secretary and deputy secretary of the Fujian provincial party committee, held a meeting yesterday to discuss the question of how to fulfill the four major tasks proposed at the 4th plenary session of the 13th party Central Committee, and how to vigorously strengthen party building.

At the meeting, Zhao Xuemin, secretary general of the provincial party committee, gave a report on the situation in various localities and departments in implementing resolutions adopted at the provincial conference on party building. The organization and propaganda departments and the office for political restructuring under the provincial party committee, party committees of various organs directly under the province, and the provincial supervision department made special reports respectively on grassroots party building, democratic evaluation of party members, education for party members, handling of important cases, and promoting an honest and clean government system.

Since the provincial party committee's conference on party building in early March, party organizations at all levels have regarded party building as the most important task, and have seriously fulfilled various tasks proposed at the provincial conference on party building. Particularly during the period of the struggle to end the turmoil and quell the counterrevolutionary rebellion, party organs, and party members at all levels did a great deal of work in stabilizing the situation in Fujian, stood severe tests, and promoted the party's own building as well. The various localities beefed up party building organs, as well as the contingent for party building. All nine prefectures and cities, a vast majority of counties (cities and districts), and some departments and units directly under the province have set up party building groups, increased party building funds, and established and improved various forms of party building systems, such as the system of regular meetings on party building, the system of party building responsibility, the system of party organization life, the system of management responsibility for party members.

Grassroots party building has further strengthened. Based on experiences gained from last year's pilot projects, a campaign to evaluate all party members of the province has unfolded. So far, evaluation has completed for 50 percent of party branches and 57 percent of party members. Throughout the evaluation, speeches and deeds during the struggle have been used as an important yardstick. Lessons to "make up for deficiencies" have been given to those units which have already completed the evaluation. The various localities have paid attention to building grassroots leading groups and rectification of party branches lagging behind. The province has sent 470 office cadres to work in nearly 2,000 village-level party branches which lagged behind. As a result, a vast majority of them have seen marked improvement. At the same time, inner-party life has improved, education and management of party members has strengthened, and the work to recruit new party members has been stepped up.

Education among party members has intensified. Using various types of party schools at all levels as bases, the various localities have employed audio and video aids, as well as the tools of propaganda and public opinion to promote education among a vast number of party members on the current situation, the party basic line, clean

and honest government, party discipline, and the legal system. Particularly noteworthy is that recently the various localities have organized a vast number of party members and cadres to seriously study the guidelines of the fourth plenary session, to uphold the four cardinal principles, and to oppose bourgeois liberalization. These efforts have played a positive role in further stabilizing the situation. Party organs at all levels have also summed up the experiences of the commended units and individuals, whose performances in the struggle were outstanding.

New progress has been made in establishing an honest and clean government system. By cooperating with, and organizing, the resources of various quarters concerned, party committees at all levels have concentrated their efforts on the investigation and handling of a number of major criminal cases. At the same time, they have effectively promoted the "two openness and one supervision" system, centering around the establishment of an honest and clean government system. The number of units under the pilot project to promote openness in government affairs has increased to nearly 2,000. Items under the project have also gradually increased. A system of openness and supervision has gradually taken shape. Already, 21 provincial departments under the pilot project have worked out, or are about to work out, a regular system to promote openness and supervision. The honest and clean government system has played an important role in speeding up solutions to "hot" problems over which the masses are very indignant, and which involve a great number of people—such as land commandeering by cadres to build private houses and irregularities in the approval of exit visas and project contracts—as well as in eliminating corruption.

After hearing the reports, Chen Guangyi and Jia Qinglin pointed out that, although the various localities and departments have done a great deal of work, gained experience, and initially created an atmosphere in which the whole province has engaged in party building since the provincial conference on party building, the achievement should not be overestimated. An immediate lesson learned from the struggle to quell the counterrevolutionary rebellion is that we must further strengthen party building. Currently, we must review, sum up, guide, and propel party building forward in our province in accordance with the guidelines of the fourth plenary session. Party organs at all level must concentrate all their resources on party building and regard it as a most urgent task. It is necessary to do well in party ideological building with upholding the four cardinal principles and opposing bourgeois liberalization as the central task. It is necessary to do a good and down-to-earth job in punishing corruption. It is necessary to be determined in carrying out ideological and organizational screening and rectification of various party organs. It is necessary to accomplish several deed in a down-to-earth manner to win the people's trust and make the development of party healthier and more effective.

Fujian Holds Meeting on Double Support Work
OW1608084089 Fuzhou Fujian Provincial Service
in Mandarin 1000 GMT 11 Aug 89

[Text] The provincial party committee and government today held in Fuzhou a discussion meeting on the work to support the Army and give preferential treatment to families of revolutionary soldiers and martyrs and to support the government and cherish the people. Provincial Party Committee Secretary Chen Guangyi and Governor Wang Zhaoguo called at the meeting for soundly and firmly advancing the province's double support work to a new stage under the new situation.

Attending the meeting were leading Comrades Cheng Xu, Zhang Zongde, Su Changpei, Gao Hu, (Zhang Liqing), (Yuan Huancai), (Huang Tiexu), and (Zhang Zuoshi). Concerned responsible persons from provincial-level departments and various prefectures and cities, as well as representatives from Army, Naval, Air, and Armed Police Forces based in Fujian, were also present at the meeting.

Comrade Chen Guangyi pointed out at the meeting: To advance the province's double support work these days, it is necessary to foster the concept of loving, emulating, relying on, and supporting the People's Liberation Army [PLA], to further national defense education, and to expand army-civilian joint construction activities so that double support work will take root at the basic level and among the people. Various prefectures, cities, and counties must actively devote themselves to accomplishing concrete tasks for the PLA. First of all, starting from the provincial party committee and government down, we should do several concrete tasks each year for the troops and thus put our province's double support work on a firm ideological and physical basis.

Comrade Wang Zhaoguo said at the meeting: By way of this meeting we want to educate the great number of cadres and masses in the province to make it clear to the people that without the People's Army there will be nothing for the people. The PLA has made great efforts, and even endured great hardships, in supporting reform and opening to the outside world, as well as supporting the province's economic construction. To do a good job in supporting the army and giving preferential treatment to families of revolutionary soldiers and martyrs is not only the responsibility of civil affairs departments but also the common mission of all party and government organizations at various levels and of all cadres and masses.

Vice Governor Su Changpei briefed those attending the meeting on the guidelines of the PLA General Political Department's news conference on double support models held on the eve of Army Day on 1 August. He also presented specific opinions on the province's future double support work.

Jiangsu Governor Reports on Economic Situation
*OW1608073589 Nanjing Jiangsu Provincial Service
in Mandarin 0915 GMT 12 Aug 89*

[Text] The Eighth Standing Committee Meeting of the Sixth Jiangsu Provincial Committee of the Chinese People's Political Consultative Conference [CPPCC] ended in Nanjing this morning. During the meeting, Chen Huanyou, deputy secretary of the provincial party committee and provincial governor, delivered a report on behalf of the provincial party committee and government on the situation of further improving the economic environment and rectifying economic order, as well as on the general economic and technological situation in Jiangsu.

Cao Keming, secretary of party committee of the provincial Discipline Inspection Commission, and Vice Provincial Governors Yang Yunyi and Wu Xijun gave reports on the situation respectively in establishing clean and honest government systems and in education, cultural work, science, technology, and production.

Members of the provincial CPPCC Standing Committee were generally satisfied with the reports by responsible comrades from the provincial party committee and government. The Standing Committee members carried out discussion and expressed their views on the reports and offered many valuable views and suggestions on how to fulfill the province's various tasks.

The meeting also examined and adopted measures for implementing the CPPCC National Committee's provisional regulation on political consultation and democratic supervision.

Sun Han, chairman of the provincial CPPCC committee, spoke at the closing session.

Jiangxi Secretary Presides at Seven Tasks Meeting
*OW1608045989 Nanchang JIANGXI RIBAO
in Chinese 30 Jul 89 p 1*

[Text] The Standing Committee of the Jiangxi provincial party committee held a meeting on the afternoon of 29 July to seriously study and discuss the "Decision of the CPC Central Committee and the State Council on Doing Several Deeds About Which the Masses Are Concerned." The meeting was presided over by Mao Zhiyong, secretary of the provincial party committee. Present at the meeting were responsible comrades from the provincial Advisory Commission, the provincial Discipline Inspection Commission, the provincial People's Congress Standing Committee, the provincial government, the provincial CPPCC committee, and the provincial Military District, as well as from departments concerned directly subordinate to the provincial government and the journalist units.

Individual participants took the floor and expressed unanimous and resolute support for the decision of the party Central Committee and State Council. They maintained that the decision of the party Central Committee and the State Council to do several deeds of concern to the masses, adopted at a plenary session of the Central Political Bureau not long after the convening of the 4th Plenary Session of the 13th CPC Central Committee, couldn't have come at a better time. It is very necessary and enjoys immense popular support. The decision was a concrete step toward implementing the guidelines of the 4th Plenary Session of the 13th CPC Central Committee. It embodies the spirit of Comrade Deng Xiaoping's directive on doing several concrete deeds to win the people's confidence. It has scored a direct hit on what the people are really concerned about. By stressing the exemplary role of leading cadres, particularly high ranking ones, the decision has demonstrated the party's resolve to punish the corrupt and take the lead in being honest, devoted to one's duties, and hard working. It shows by means of concrete deeds our party's determination to forge close ties with the masses and improve party-mass and cadre-mass relations. Thus, the decision is bound to win the people's genuine support. The participants were very enthusiastic, felt greatly encouraged, and were fully confident of the party's success in punishing the corrupt, promoting an honest and clean government system, and establishing a correct party workstyle, and about the party's great future as well.

Comrades attending the meeting pledged that they would resolutely implement the guidelines of the decision of the party Central Committee and State Council with their own concrete deeds. Leading cadres at all levels in the whole province, particularly leading cadres at the provincial level, must be fully aware of the great and far-reaching significance of resolutely punishing the corrupt, taking the lead in being honest and devoted to duty, and carrying forward the tradition of arduous struggle, because they are matters of vital importance to whether we shall be able to inspire the party and the people; whether we can enhance the party's mass appeal and fighting power; and whether our party and the reform, opening, modernization, and construction program it leads can succeed. Therefore, we cannot afford to regard these tasks as unimportant or treat them lightly. The meeting stressed that, in fulfilling the decision of the party Central Committee and State Council, leading cadres at all levels across the province, particularly provincial level leading cadres, must have a high degree of consciousness. They must begin with and make strict demands on themselves and do concrete deeds. The leading cadres not only must take the lead in implementing the decision of the party Central Committee and State Council, but must also teach their own children, relatives, and people working closely with them to seriously implement the decision of the party Central Committee and State Council.

Comrades attending the meeting maintained that, in implementing the decision of the party Central Committee and State Council, it is necessary to take Jiangxi's

actual conditions into consideration and formulate specific and effective measures accordingly. The five tasks which were initiated by the provincial party committee some time ago have already achieved relatively good results and are welcomed by the masses. We must continue them in a down-to-earth manner and with unremitting efforts. At the same time, it is necessary to work out specific measures in accordance with Jiangxi's actual conditions concerning the fulfillment of the seven tasks as stipulated in the guidelines of the decision of the party Central Committee and State Council. Some of them must be implemented right away according to Jiangxi's actual conditions. As for the rest, we must carry out immediate investigation and study and work out specific measures for implementation. The meeting instructed departments concerned to rapidly submit specific measures for implementation, based on the results of investigation and study. These measures will be implemented immediately once they have been approved by the provincial party committee and government.

Comrades attending the meeting pledged to resolutely respond to the call of the party Central Committee, to carry forward the party's fine tradition and style, to regard the party's cause as their own, to safeguard the party's image and enhance party prestige with their own deeds, to forge close party-mass ties, and to work hard and make more contributions in fulfilling the various tasks proposed by the 4th plenary session of the 13th party Central Committee and building socialism with special Chinese characteristics.

Jiangxi Leaders Hear Reports of Heroes, Models
OW1608021989 Nanchang Jiangxi Provincial Service in Mandarin 1000 GMT 12 Aug 89

[Report from the "Provincial Hookup" program by station reporters Luo Chunyu and Fu Jianqiao: "Heroes and Models Who Suppressed the Counterrevolutionary Rebellion in Beijing Give First Report in Nanchang"—partly recorded]

[Excerpts] It is mid-August, the early fall. The great People's Liberation Army [words indistinct] in Nanchang, the city of heroes, under the burning sun, and people in this city of heroes warmly embrace the people they love most with fervent enthusiasm.

After refurbishing, the August 1 Auditorium in Nanchang has a new look today. A streamer with these big characters—"Learn from the heroes and models who suppressed the counterrevolutionary rebellion"—hung above the platform, brightly decorated with fresh flowers, cypress, and red flags. Over 2,400 soldiers and people in Nanchang are gathered to hear the first report by the fourth group of heroes and models who suppressed the counterrevolutionary rebellion in Beijing.

When the heroes and models step into the auditorium at 0835 [2335 GMT on 11 August], they are accorded a rousing welcome. Present at the meeting and seated at

the rostrum are party, government, and military leaders in Jiangxi, including Mao Zhiyong, Wu Guanzheng, Liu Fangren, Jiang Zuping, Wang Zhaorong, Lu Xiuzhen, Wang Caihua, Zhao Zengyi, Liu Zhonghou, Huang Shufen, Zhu Zhihong, Xu Qin, Wu Ping, Zhang Haizhi, Wang Guande, Chen Likai, Li Peizhi, and Yang Mingxiong; as well as Bai Dongcai, member of the Central Advisory Commission in Nanchang. [passage omitted]

Liu Fangren, deputy secretary of the Jiangxi provincial party committee, addressed the meeting before it closed. He expressed his high respects for, and wholehearted thanks to, the heroes and models on behalf of the Jiangxi Provincial CPC Committee, the Jiangxi Provincial People's Government, the Jiangxi Military District, and people throughout the Jiangxi.

[Begin Liu recording] Your heroic deeds and revolutionary spirit are the wealth of the party and the people. They are living examples with which we educate people on upholding the Four Cardinal Principles, opposing bourgeois liberalization, and promoting patriotism and revolutionary heroism. [end recording]

Liu Fangren said: We must learn from the heroes and models. We should emulate their noble qualities of upholding principles, knowing what to love and hate, always maintaining unity with the party Central Committee, and being loyal to the party, the people, and the socialist motherland. We must learn from their revolutionary spirit of placing the interests of the party and the people above everything else, defying hardship and death, daring to fight, and making selfless dedication during the life-and-death struggle. [passage omitted]

Shandong's Jiang Attends Report Meeting

Praises Heroic Deeds

SK1608034589 Jinan Shandong Provincial Service in Mandarin 2200 GMT 12 Aug 89

[Excerpts] The second sub-team of the group to give reports on the heroic and model deeds in suppressing the counterrevolutionary rebellion, which was organized by the Propaganda Department of the CPC Central Committee, the General Political Department of the Liberation Army, and the Beijing municipal party committee, held a report meeting at the auditorium of the club of Jinan's Nanjiao Guesthouse on the morning of 12 August, the first meeting after it left Beijing. More than 600 persons attended to hear the reports. They included leading comrades of the provincial party committee, Advisory Commission, Discipline Inspection Commission, People's Congress Standing Committee, government, and Committee of the Chinese People's Political Consultative Conference; members and alternate members of the party Central Committee, members of the Central Advisory Commission, members of the Central Discipline Inspection Commission and veteran comrades of the province, who were living in Jinan; leading comrades of the Jinan Military Region, the Air Force of

the Jinan Military Region and the provincial Military District; and all the comrades attending the propaganda work conference of the provincial party committee and the provincial conference on the work of schools of higher learning.

The meeting hall was newly decorated. At 0900 when six members of the report team took up the rostrum, warm applause broke out in the hall. Amid lively music accompanied by drum beats, children from Jinan presented red scarfs and fresh flowers to the heroes and models outstanding in suppressing the rebellion. Seated on the rostrum together with the members of the report team were Jiang Chunyun, secretary of the provincial party committee, Ma Zhongchen, deputy secretary of the provincial party committee, Zhao Zhihao, deputy secretary of the provincial party committee and provincial governor, Li Jiulong, commander of the Jinan Military Region, and Song Qingwei, political commissar of the Jinan Military Region.

Jiang Chunyun, secretary of the provincial party committee, presided over the meeting. On behalf of all the comrades present at the meeting and the 80 million people throughout the province, he extended warm welcome and high respect to the heroes and models of the report team. [passage omitted]

Ma Zhongchen, deputy secretary of the provincial party committee, spoke at the report meeting. He urged the people throughout the province to take the heroes and models as their examples, learn from their firm political stand characterized by loyalty to the party, the people, and the socialist motherland, distinguish right from wrong, and expose and criticize the antiparty and anti-socialism conspiratorial activities of the extremely small number of persons.

Ma Zhongchen stressed: In learning from the heroes and models, we should learn from their noble character of enduring humiliation, carrying out important tasks, and making selfless devotion for the interest of the party and the people, and their fighting spirit of fearing neither hardship nor sacrifice, and waging indomitable struggles. We should quickly create a province-wide upsurge in learning from the deeds of the heroes and models, encourage the people throughout the province with their noble characters and sacrificing spirit, uphold still better the basic line consisting of one central task and two basic points defined at the 13th party congress, carry out the work in various fields more successfully, and continue to push forward the cause of reform, opening up, and socialist modernization.

Meets With Team Members

SK1608014989 Jinan Shandong Provincial Service in Mandarin 2200 GMT 12 Aug 89

[Text] On the afternoon of 12 August, before the opening of the meeting to report on the heroic and model deeds in suppressing counterrevolutionary rebellion, Jiang Chunyun, secretary of the provincial party committee; Ma

Zhongchen, deputy secretary of the provincial party committee; Zhao Zhihao, deputy secretary of the provincial party committee and provincial governor; Li Jiulong, commander of the Jinan Military Region; Song Qingwei, political commissar; Miao Fenglin, member of the Standing Committee of the provincial party committee and director of the Propaganda Department of the provincial party committee; and Ma Zhongcai, member of the Standing Committee of the provincial party committee and secretary general of the provincial party committee, and other leading comrades cordially met with all members of the report group.

During the meeting, Comrade Jiang Chunyun extended a warm welcome and heartfelt thanks to the heroic and model deeds report group who came to our province to give reports on behalf of the provincial party committee, the provincial government, and the 80 million people throughout the province. He said the coming of the heroic and model deeds report group allow us to personally hear of the deeds of heroes and models. It will play a tremendous role in promoting the province's current activities of deeply implementing the guidelines of the fourth plenary session and learning from the Liberation Army and the defenders of the Republic. Through conducting activities to learn from heroes and models in suppressing rebellion, we should conduct an in-depth education on patriotism, socialism and communism, and do a better job in supporting the Army and giving preferential treatment to families of servicemen and martyrs in the province.

Colonel (Ren Jiamin), leader of the report group, and political commissar of the regiment of a certain unit of the martial law enforcement troops, thanked on behalf of all members of the report group the people of Shandong for their profound feeling of friendship for soldiers and their active support for the martial law enforcement troops.

After the meeting, leading comrades of the province and of Jinan Military Region, posed for a group photo with all members of the report group.

Shanghai Vice Mayor Reiterates Rural Policies

OW1608082089 Shanghai City Service in Mandarin 2200 GMT 12 Aug 89

[Report by station reporter Zhang Liqun from the "Morning News" program]

[Text] To stabilize the economy and guard against a decline in agriculture in Shanghai's suburban areas, vice mayor Ni Hongfu reiterated the relevant policies of the municipal party committee and the municipal government at a meeting on 12 August. The meeting was attended by party secretaries and magistrates of the suburban counties.

1. The overall assessment by the municipal party committee and the municipal government on rural party organizations at all levels and rural cadres in the suburban areas will not change. The overwhelming majority of the party organizations are good and are full of fighting capability.

2. The position and role of township and town enterprises will not change. Shanghai will continue to develop rural industries for supplementing and coordinating with major enterprises in urban areas.

3. The (23 January) guidelines and the demand for building four bases will remain unchanged.

4. The rural policies on supporting agriculture and sideline production with industry and increasing the input on agriculture, which were formulated by Shanghai, will not change.

5. The system whereby the plant director or manager assumes the overall responsibility already practiced by some town and township enterprises will remain unchanged.

6. All forms of contracted responsibility system linking remuneration to output, which have been introduced to the rural economic system in the suburban areas, will continue to be in force. Where conditions permit, efforts should be made to actively popularize a suitable scale of management.

7. The policy of applying scientific and technological advances to promote agricultural production in the suburban areas will continue to be in force. The Spark Program, Prairie Fire Program, and other relevant policies that have already been implemented will remain unchanged.

8. The policies on managing the production and marketing of farm and subsidiary products that have been carried out in Shanghai will not change.

9. The policy of developing diverse economic factors and forms with public ownership as the predominant force in the suburban areas will not change.

10. While solving the problem on unjust distribution of income, the distribution policy of giving more pay for more work and of rewarding advanced workers will not change.

The 2-day meeting of party secretaries and magistrates of suburban counties, which was called by the Rural Party Committee and the Agriculture Commission under the municipal party committee, discussed especially the questions on strengthening rural reforms and introducing suitable scale of agricultural management. The meeting held that the most important task at the present is to achieve unity in the thinking of cadres and ordinary people based on the guidelines of the 4th Plenary Session

of the 13th CPC Central Committee because social stability is a prerequisite for a stable economic growth. Efforts should be made to consolidate and improve the fruitful results in rural reforms. At the same time, it is necessary to create the conditions and adopt realistic measures to actively promote suitable scale of agricultural management.

In his speech at the meeting, Vice Mayor Ni Hongfu relayed the views of Zhu Rongji, secretary of the municipal party committee and mayor, regarding the rural work in Shanghai. Zhu Rongji urged rural cadres to uphold one central task and two basic points in strengthening the rural reform and stabilizing Shanghai and its rural areas. The party's rural policies will not change. It is necessary to ensure a good job in various areas of current rural work.

Comrade Zhu Rongji fully affirmed the achievements in rural work made by the large numbers of cadres and peasants in the suburban areas.

The meeting participants held that a suitable scale of management is the only way to achieve agricultural modernization. All county and township leaders should attach great importance to promoting a suitable scale of agricultural management, work out realistic plans, and give guidance in different areas. Where conditions are not ripe, the local leaders should create the conditions to gradually introduce a suitable scale of management.

Central-South Region

Guangdong's Shenzhen Regulates Returning Students
HK1508125189 Beijing ZHONGGUO XINWEN SHE
in Chinese 0257 GMT 15 Aug 89

["Shenzhen Announces Detailed Regulations on Students Returning to Work in the Country"—ZHONGGUO XINWEN SHE headline]

[Text] Shenzhen, 15 Aug (ZHONGGUO XINWEN SHE)—The Shenzhen City People's Government recently announced detailed rules for the implementation of the provisional regulations governing students intending to work in Shenzhen after studying abroad and returning to the country, and answered questions on this.

A relevant responsible person from the Shenzhen City People's Government explained: These rules are applicable to students returning to the country after the promulgation of the provisional regulations, but not applicable to those who have returned before the promulgation of these provisional regulations. Students who have studied abroad and who are allowed to work in Shenzhen will be issued "Work Permits for Returning Students Working in Shenzhen" by the Shenzhen City Office in Charge of Employing Talented People from Abroad.

Students who have studied abroad and who are allowed to work in Shenzhen can, with the administrative recommendations issued by the Shenzhen City Office in Charge of Employing Talented People from Abroad and their own passports, apply for a change of domicile. Family members of these students can also be included in the new household registration if they want to.

With the approval of the Shenzhen Foreign Exchange Control Bureau, foreign exchange lawfully earned by these students in Shenzhen can be remitted out of Shenzhen after taxation.

Returning students who have gone through the formalities for settling in Shenzhen can each buy one of the houses sold as a commodity at near-cost price [zhun cheng ben shang pin fang 0402 2052 2609 0794 0756 2075].

Regarding the question of professional titles, which is a concern among returning students, the responsible person from the Shenzhen City People's Government said: Returning students can file their applications first and then, with the recommendation of the units currently employing them, go to the city Professional Titles Office [zhi kao ban 5120 5072 6586] to have their cases processed. Returning students who can meet the requirements entailed by various positions and who can pass qualifying assessments are not restricted by position and title quotas.

If returning students want to establish enterprises in Shenzhen, the city will, in accordance with the relevant laws and state regulations, allow them to establish civilian science and technology enterprises or joint-stock enterprises, and will examine and process their applications first.

Returning students with working papers can apply to the city science and technology committee for the use of science and technology funds, and enjoy precedence over ordinary people with similar conditions and qualifications in the use of scientific and technological development funds.

Guangdong Leaders Meet Heroic Deeds Group
HK1608084289 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 15 Aug 89

[Text] Last night leading comrades of the Guangdong Provincial Party Committee and Government Lin Ruo, Ye Xuanping, Guo Rongchang and Fang Bao called on members of the sixth subgroup of the report group on heroic and exemplary deeds in the quelling of the counterrevolutionary rebellion in Beijing.

Lin Ruo, Ye Xuanping, Guo Rongchang and Fang Bao arrived at the Zhudao Guesthouse at 2020. After shaking hands with all members of the report group, they chatted cordially with them. The group head (Gao Shouzheng), who is deputy director of the Beijing Municipal Public

Health Bureau and vice president of the Beijing Municipal Red Cross Society, introduced to the leaders, the native places of all members, organizations in which they work, and their heroic and exemplary deeds. Lin Ruo and Ye Xuanping accorded all members a warm welcome and said: The whole situation could be changed merely in a few days. This was mainly attributable to the wise decision made by the Party Central Committee and the State Council, and also to your outstanding service. The people of Guangdong must learn from and salute officers and men of the Beijing martial law enforcement troops and Armed Police, as well as the citizens of Beijing. They should treasure the situation of stability and unity and work hard for economic construction.

Hunan Meeting Discusses Letter, Visit Policy
HK1608012589 Changsha Hunan Provincial Service in Mandarin 2210 GMT 15 Aug 89

[Excerpts] The work of dealing with people's letters and visits is very important. At present, seriously doing a good job in this work and paying attention to solving signs of instability at the budding stage and in the grass roots plays an important role in maintaining social stability and promoting the building of clean government. This was stated by Xiong Qingquan, secretary of the provincial party committee, when visiting the participants in a provincial conference on dealing with people's letters and visits, which was held in Changsha from 8 to 10 August. [passage omitted]

The meeting held that certain factors for instability still exist in the province, and new contradictions and frictions will occur in the course of carrying out improvement and rectification and deepening reforms. All levels and departments should regard the following as political tasks: admonishing the masses against bypassing the immediate leadership in appealing for help from higher authority, easing social contradictions, and preserving stability and unity. It is necessary to establish a leadership responsibility system and ensure that measures are properly firmed up at all levels. [passage omitted]

Southwest Region

Food Program Prepares To Aid Tibet
OW1508235789 Beijing XINHUA in English 1525 GMT 15 Aug 89

[Text] Lhasa, August 15 (XINHUA)—Preparations for World Food Program's (WFP) first program in aid of Tibet are good, said WFP's Beijing Office Director of Operations Trevor Page here today.

After examining the preparations, Page, who is leading a WFP investigation group in Lhasa, said construction of some projects can be started now.

The program, codenamed 3357 and expected to be completed in five years, includes water conservancy, afforestation and grass planting projects. It will help four counties along the Lhasa river valley get rid of poverty.

WFP will offer 34,100 tons of wheat and 558 tons of butter instead of money as fund, while China will supply 40.5 million yuan (renminbi) for the program.

During a meeting with Page here today, Doje Cering, chairman of the Tibet Autonomous Region People's Government, said the local government will go all out to help the program.

North Region

Li Ximing Attends Beijing Discipline Meetings

19th Regular Meeting

SK1408120989 Beijing BEIJING RIBAO
in Chinese 21 Jul 89 p 1

[Text] The weekly regular joint meeting on strengthening law and discipline sponsored by the municipal party committee which was forced to stop because its order of work was disrupted by turmoil and counterrevolutionary rebellion resumed yesterday. The meeting was presided over by Li Qiyao, deputy secretary of the municipal party committee. The meeting discussed and studied five major typical cases involving some units' speculation, profiteering, corruption and bribery.

Li Ximing, member of the Political Bureau of the CPC Central Committee, attended and addressed the meeting. He pointed out: The issues of strengthening administrative honesty and combating corruption constitute one of the four important tasks which the central authorities have decided to undertake and are the tasks which the masses are much concerned about. First of all, we must conscientiously treat these cases and must make up our minds to deal with them. At present, we must continue to put in time and energy to investigate and handle a group of major and typical economic cases. Second, we must formulate some systems to close the loopholes. The party and government organs should formulate systems on administrative honesty, promote the workstyle of plain living and arduous struggle, and implement these systems one by one. Third, the masses were angry about the unhealthy trends in various trades. We should also be determined to check them. Comrade Li Ximing emphatically pointed out: Adhering to the four cardinal principles is not just empty talk. We must implement them in all fields of work. We should also implement them in reform and opening up. By no means should we put money above everything else.

The main tasks of the municipal party committee's joint meeting on strengthening law and discipline, which was attended by principal leading comrades of the municipal party committee and government; leading comrades of departments, committees and offices concerned; and

functional supervisory departments, including the law and discipline enforcement departments, were to conscientiously study the principles and policies of the central authorities and the State Council on keeping the government clean and honest and on combating corruption, to keep abreast of the situation during the anticorruption struggle, to supervise and speed up investigation so as not to delay the investigation work, and to strictly enforce the law. On the basis of enabling all departments to handle cases independently and to perform their own duties, we must coordinate, balance and dovetail the handling of major economic cases throughout the municipality in an effort to prevent the people from using discipline or fines to replace the law. Since the establishment of the joint meeting last November to mid-April this year, we have held 18 meetings to study and put forward specific opinions for implementing the central authorities and the State Council's decisions on screening and consolidating companies and on launching an anticorruption struggle, to study and formulate relevant policies and stipulations for promoting the investigation and handling of economic cases, to discuss 20 fairly important typical cases, to study the issues of enabling the administrative and law enforcement departments to cooperate and coordinate with judicial departments and to use them as typical cases so as to draw inferences about other cases from one instance. The law and discipline joint meeting exercised the functions and responsibilities set by the municipal party committee in a fairly good manner. Practice showed that the joint meeting on strengthening law and discipline held by the municipal party committee is an effective measure for enabling the party to strengthen struggle against corrupt phenomena and for guaranteeing reform, opening up and the commodity economic activities to develop soundly along a correct direction. It is also a specific manifestation of adhering to the four cardinal principles. All districts and counties in Beijing municipality have also established this joint meeting system. In mid-April this year, when the municipal party committee held its 19th regular joint meeting on strengthening law and discipline to discuss several major and typical speculation and profiteering (bureaucratic racketeering) cases, the meeting was discontinued because of the student strike, turmoil and then the counterrevolutionary rebellion.

The 19th joint meeting on strengthening law and discipline which was resumed yesterday discussed and studied five major cases involving some units' speculation, profiteering, corruption and bribery. The meeting also instructed departments concerned to coordinate with one another to conscientiously verify the facts, investigate the cases thoroughly, investigate whoever was involved in the cases and seriously deal with them in line with the law.

Also attending this joint meeting were Zhang Jianmin, member of the Standing Committee of the municipal party and executive vice mayor, Meng Zhiyuan, member of the Standing Committee of the municipal party committee and secretary of the municipal Discipline Inspection Commission, and Chen Guangwen, member of the

Standing Committee of the municipal party committee and director of the Organization Department of the municipal party committee, and principal leading comrades of the relevant judicial, administrative and law enforcement departments.

20th Regular Meeting

SK1608023189 Beijing BEIJING RIBAO in Chinese
2 Aug 89 p 1

[Text] Presided over by Li Qiyang, deputy secretary of the municipal party committee, the joint conference of the municipal party committee on strengthening law enforcement and discipline held its 20th regular meeting on 1 August to discuss the struggle against corruption, two major cases of corruption and bribery, and an exceptionally serious case of swindling.

Li Ximing, secretary of the municipal party committee, pointed out in his speech at the meeting: Vigorously strengthening party building, the construction of democracy, and the legal system; resolutely punishing the corrupt; realistically doing several deeds that the people generally show concern for; and certainly living up to the people's expectations on the party is one of the four major tasks that should be attended to as defined at the fourth plenary session. The party Central Committee and the State Council have decided to do seven deeds in the near future. The municipal party committee has decided to do six deeds in the near future in order to implement the guidelines of the decision. This is a matter that the people are generally concerned about. So, we must conscientiously attend to it. A matter that is once defined should be accomplished. We should take the lead and welcome the supervision by the masses. Li Ximing stressed that we should adhere to the four cardinal principles, strengthen the improvement of administrative honesty, and wage the struggle against corruption. Punishing the corrupt has both economic and political substance. We should link the adherence to the four cardinal principles with the improvement of the economic environment and the rectification of the economic order. Whoever is involved in criminal cases of corruption, bribery, speculation, and profiteering should thoroughly be investigated. We should resolutely punish those who should be punished.

The meeting studied the policy regulations on investigating and handling major economic cases, discussed two major cases of corruption and bribery, and a case of swindling; and studied the issue concerning the cooperation between administrative and law enforcement departments and judicial departments. Attending the meeting were Zhang Jianmin, member of the Standing Committee of the municipal party committee and vice mayor; Meng Zhiyuan, member of the Standing Committee of the municipal party committee and secretary of the municipal Discipline Inspection Commission; and Chen Guangwen, member of the Standing Committee of the municipal party committee and director of the Organizational Department of the municipal party committee.

Li Ximing Addresses Beijing Industrial Conference

SK1408122289 Beijing BEIJING RIBAO
in Chinese 21 Jul 89 p 1

[Text] At the municipal industrial work conference, which ended on 20 July, Li Ximing, secretary of the municipal party committee, and Chen Xitong, mayor of the municipality, stressed: Enterprises should uphold the four cardinal principles, persist in the policy concerning reform and opening-up, strengthen ideological and political work, carry out and perfect those reform measures which are proven correct by practice, strive to retrieve the losses caused by turmoil and rebellion, and push forward the socialist modernization drive.

After speaking highly of the important role played by Beijing's working class in opposing turmoil and quelling the counterrevolutionary rebellion, Li Ximing and Chen Xitong pointed out that working class has proved itself to be the main force to safeguard stability and unity, to develop production and construction, to uphold and deepen reform, and to support and protect the People's Liberation Army. On behalf of the municipal party committee and the municipal government, Li Ximing and Chen Xitong expressed gratitude and solicitude for all levels of leaders and the vast number of workers and staff members on the industrial front.

Chen Xitong said in his speech: The industrial front should conscientiously implement the guidelines of the 4th plenary session of the 13th party Central Committee, firmly and thoroughly launch the struggle against the counterrevolutionary rebellion, and resolutely retrieve the losses caused by turmoil and rebellion. Retrieving the losses caused by turmoil and rebellion constitutes an economic issue as well as a political issue. We should boost our economy, ensure effective supply, guarantee the implementation of foreign trade contracts, improve people's livelihood, and stabilize commodity prices with a view to making our country even more stable and more flourishing. So long as we ourselves become strong, the scheme of isolating and subverting our country plotted by the hostile forces abroad will certainly meet with defeat. He called on workers and staff members on the industrial front to summon their courage, and unite as one to carry out the four modernizations, and continue to forge ahead bravely under the leadership of the party.

Chen Xitong stressed: What has happened shows that Beijing's major reform measures are correct, and thus should be carried on and improved further. He said: The appropriate management of agricultural scale should be carried out persistently and improved constantly. The contract management responsibility system with the "two guarantees and one linking-up" as its main form should be popularized persistently, and there shall be no change in the base figure of contracts and in the award policy. What has happened shows that this reform measure has given more momentum and vitality to enterprises, and thus should be carried out continuously. At the same time, conditions should be created for further

vitalizing large and medium-sized enterprises. The measure of optimizing labor organizations should be implemented persistently. This reform measure should be continued because it has played a positive role in enhancing labor productivity, improving workers' expertise, developing production, and increasing economic results; and has conformed with the interests of workers. The reform of the internal mechanisms of primary and middle schools should be upheld and popularized further because it has realized the principle of distribution according to labor, broken with the method of "eating from a common big pot," and mobilized the initiative of teachers. Industrial departments should give support to the enterprises run by schools. The measure of commercializing residences should also be upheld by continuously carrying out experiments. Town and township enterprises should pay attention to readjustment in order to improve efficiency and performance. Industrial departments should continue to show concern for and give support to town and township enterprises.

Li Ximing said in his speech: We should sober-mindedly understand the long duration, difficulty, and complexity of this struggle, because the international imperialists and the people who advocate bourgeois liberalization at home will continue to wage a protracted contest with us. Far from giving up the viewpoint of class struggle, we have to actually strengthen the party work and the ideological and political work. The lesson we gained from the current storm is that our negligence in party work and in ideological and political work has given way to the spreading of bourgeois liberalization.

Referring to strengthening party leadership over enterprises, Li Ximing pointed out: The factory director responsibility system should not change, but should be perfected. There cannot be any change in the central status of factory directors in the fields of guiding production and operation and managing administrative affairs. The party leadership over political affairs should be strengthened. Party organizations of enterprises should serve as a nucleus in uniting, organizing, and mobilizing the broad masses of workers; should strengthen leadership over ideological and political work; and should fulfill their functions of exercising guarantees and supervision in an even better manner.

Li Ximing emphatically pointed out: The position and role of party organizations at the grassroots level have been weakened, because some people advocated regarding party work as "sparetime work," regarding the post of party cadre as a "concurrent job", and to "rarify" the party's role. Enterprises should establish and uphold a regular system in conducting political study and training, and should imbue the workers and staff with Marxist and socialist ideas over a long period of time. In managing cadres, the party should first of all ensure that cadres have passed political tests, and should assess cadres with still more scientific and complete methods. In organizational setup, enterprises' party organizations should maintain the pattern of having organizational,

propaganda, and discipline inspection organs. Large and medium-sized enterprises should also set up the post of full-time party committee secretary. Enterprises should also have a keen-witted and capable contingent of political workers. Equal remuneration should be given to party and administrative cadres of enterprises. The principles and directions of party organizations have been correct, and thus should be carried out continuously.

Li Ximing said: Socialist enterprises should base themselves on working class, and should strive to heighten the status of working class as the masters of enterprises. To run an enterprise well, managers cannot separate themselves from workers and staff members. Through the forms of workers' congress and workers' management committee, enterprises should organize workers and staff members to participate in enterprise management to mobilize the initiative of workers and staff members.

Wu Yi and Zhang Peng attended the conference held on 20 July. Also attending were responsible persons of pertinent commissions and offices of the municipal government; responsible persons of the municipal Trade Union Council; and directors and party committee secretaries of various enterprises, more than 1,000 people in all. At the conference, commendations were given to 119 advanced collectives and 443 advanced individuals working for the departments under the municipal Economic Commission for their contributions to checking turmoil and quelling the counterrevolutionary rebellion.

Secretary, Mayor Visit Beijing Drought Areas

*OW1308102689 Beijing Television Service
in Mandarin 1000 GMT 12 Aug 89*

[From the "National News Hookup Program"]

[Text] [Video shows Li Ximing, Chen Xitong, and other officials inspecting drought stricken corn crop in unidentified locality in Beijing's suburbs] Little rain has fallen in the Beijing vicinity during this year's flood season, and the drought situation in the countryside is grave. Li Ximing, secretary of the Beijing Municipal CPC Committee, and Mayor Chen Xitong went to the suburbs of Beijing over the past 2 days to inspect the drought situation.

According to sources, the average rainfall of only 205 millimeters since the flood season began in the Beijing vicinity on 15 June is one of the lowest since the People's Republic was founded 40 years ago. Nearly 4 million mu of autumn grain crop in Beijing's suburbs are being threatened by drought brought on by the scanty rainfall.

The municipality's leaders, Li Ximing and Chen Xitong, urged cadres at all levels in the countryside to stand fast in the struggle against the drought and to put all motor-pumped wells, sprinklers, and pumping equipment into operation in order to make an all-out effort to fight the drought.

Commander Li Jiulong at Beijing Report Meeting
SK1608024789 Jinan Shandong Provincial Service
in Mandarin 2200 GMT 10 Aug 89

[Excerpts] On the afternoon of 10 August, a certain PLA unit which has joined in the execution of the martial law tasks in Beijing Municipality sponsored a report meeting on heroic deeds in the auditorium of the Political Department under the Jilin Military Region, which was fully decorated with flags. Listening to the reports at the meeting were more than 1,200 persons, including Li Jiulong, commander of the Jinan Military Region; Song Qingwei, political commissar of the Military Region; Zhang Zhijian, deputy commander of the Military Region; Rao Shoukun and Kong Shiquan, members of the Central Discipline Inspection Commission who are currently in Jinan City; and officers and fighters from the leading organs under the Jinan Military Region and the PLA units stationed in Jinan City.

The four heroes who made reports at the meeting on 10 August are (Shen Yuntian), instructor of the first battalion of the regiment, who was commended by the Central Military Commission as the PRC's guardian; (Yu Aijun), squad leader of an artillery company; (Le Licheng), medic of an artillery battalion; and (Yuan Huarong), commander of the fifth company of a regiment. [passage omitted]

During the report meeting, Zhang Zhijian, deputy commander of the Jinan Military Region, delivered a speech in which he urged all officers and soldiers to learn from the heroes and models, to further carry forward the fine PLA tradition, and to satisfactorily fulfill the tasks imposed on them by the party and the people.

13 Foreigners in Beijing Infected With AIDS
OW1608041789 Beijing XINHUA in English
1452 GMT 15 Aug 89

[Text] Beijing, August 15 (XINHUA)—Thirteen foreigners have been found infected with the AIDS virus so far in the Chinese capital, a report submitted to the municipal people's congress Standing Committee session disclosed here today.

Although no Chinese has been found to be an AIDS virus carrier, the report said, there is still a potential danger for the outbreak of the disease among the Chinese population.

Beijing's first AIDS case came to light in 1985, when a foreign tourist was found to have the disease.

The 13 infected are foreign tourists, businessmen and students, the report said.

To prevent the spread of AIDS among the Chinese, the municipal government is formulating regulations on monitoring and controlling the disease.

A regulation to come into effect September 1 stipulates that anyone who discovers an AIDS case should immediately report to the local health department and the related department of the State Council. At the same time, the patient must be isolated and given timely treatment. The public security bureau will assist the medical units to force those who refuse treatment to receive it.

The municipal government has also called for co-operation from the public security bureau, tourism agencies and departments of civil affairs and jurisdiction in a crackdown on prostitution and control of venereal disease.

Hebei City Revokes Corporate Licenses
OW1608055889 Beijing XINHUA in English
0801 GMT 15 Aug 89

[Text] Beijing, August 15 (XINHUA)—Tangshan City in Hebei Province has revoked the licenses of 166 companies with serious problems, and put another 6 companies engaging in illegal activities under close supervision, the "ECONOMIC DAILY" reported today.

The municipal government and party committee of the city organized special groups with key members from the judicial and supervising departments to rectify those so called "big companies" with serious unlawful practices, such as the "Tangshan Jingzhao Industrial Company" which was fined 2.3 million yuan and saw its manager arrested.

During the drive to check up on and rectify companies, the city has revised the management scope of 365 companies according to stipulations, and annulled the wholesale business licenses of 28 companies and the retail and wholesale business licenses of 107 enterprises.

Meanwhile, the city strengthened its administration of family businesses. More than 120,000 family businesses and 600 private enterprises have been examined and re-registered. More than 4,400 individual businesses without licenses have been shut down.

Wang Qun Attends Inner Mongolia Army Day Soiree
SK1408131989 Hohhot NEIMENGGU RIBAO
in Chinese 30 Jul 89 p 1

[Text] On 29 July, the government of Hohhot City held a soiree of party, government, Army and people in Hohhot at the guest house of the Inner Mongolia Military District to warmly celebrate the 62th anniversary of the building of the Chinese Liberation Army [PLA]

Responsible comrades of the party, government and Army organs of the region and Hohhot City and of the Chinese People's Political Consultative Conference [CPPCC] committee, including Wang Qun, Bu He, Zhang Dinghua, Qian Fenyong, Batubagen, Liu Yunshan, Zhou Rongchang, Yang Enbo, Hao Xiushan, Lin

Weiran, Shen Xinfu, Ke Ligen, Geriletu, Butegeqi, Seyinbayaer, Zhang Cangong, Sha Tuo, Liu Zhenyi, Zhao Zhihong, Li Guibin, Bai Yongsheng, Shi Shengrong, Wu Ligeng, Han Ming, Li Shuyuan, Yun Zhaoguang, Tu Ke, Wu Lan, Yun Shufen, Ha Lun, Yi Junhua, Jia Cai, Wuerjilang, Jin Mantie, and Wang Kongyun, representatives of the masses of various nationalities in Hohhot City, fighting heroes of the PLA units, Red Army soldiers, representatives of the officers and men of the Armed Police, and representatives of families of martyrs, servicemen and the Beijing martial law enforcement troops gathered happily under the same roof to jointly celebrate this glorious festive day.

Also attending the soiree were veteran Comrades Ting Mao, Kong Fei and Huang Hao, who have worked in Inner Mongolia for a long time.

On behalf of the Hohhot City government and the people of various nationalities throughout the city, Yun Feng, vice mayor of Hohhot City, extended warm festive greetings to the officers and men of the troops and the Armed Police stationed in Hohhot. He said: In the future, we should continue to promote the glorious traditions of supporting the Army and giving preferential treatment to families of martyrs and servicemen, further strengthen unity between the Army and the people, maintain unity between the Army and the government and between the Army and the people, persist in one focus and two basic points, and create a new situation in the four modernization construction.

Jin Mantie, commander of the Hohhot military sub-district, gave a speech in which he extended heartfelt thanks and lofty respects to the party committees and governments at all levels and the masses of workers, peasants, and intellectuals who cherished the people's Army and actively supported Army building.

At the soiree, the literary and art workers of the song and dance ensemble of the Political Department of the Inner Mongolia military district, the Hohhot city folk opera troupe and other literary and art troupes presented a brilliant performance to the participants.

Inner Mongolia Sees More Overseas Visitors
OW1408225689 Beijing XINHUA in English
1359 GMT 14 Aug 89

[Text] Hohhot, August 14 (XINHUA)—More overseas tourists visited north China's Inner Mongolia Autonomous Region last month than in June, according to an official from the region's Tourism Bureau.

Incomplete statistics show that from mid-July to the present, travel agencies in the region received more than 200 overseas tourists and the number of foreign travelers is increasing.

The five-day second Nadamu Rodeo on the Gegengtala Prairie, which ended July 24, attracted 115 foreign tourists from 11 countries and regions including Japan, the United States and West Germany.

Northwest Region

Gansu Reports Economic Successes, Problems
HK1608005789 Lanzhou Gansu Provincial Service
in Mandarin 2300 GMT 15 Aug 89

[Excerpts] Our reporter learned from the provincial financial work conference which was convened on 15 August that Gansu's industrial and agricultural production developed steadily during the first 7 months of the year with total output value of 9.474 billion yuan, an increase of 10 percent over the same period last year. The province reaped a bumper summer grain harvest with an output of 3.9 billion kg, 190 million kg more than last year. [passage omitted]

Generally speaking, prefectural and county revenue plans have been fulfilled better than provincial plans. The prefectures and counties have now collected over 1.1 billion yuan in revenue, an increase of 25.6 percent over the same period last year. [passage omitted] However, provincial-level revenue has declined somewhat compared with the same period last year. The improvement in enterprise economic returns has slowed down, production costs have risen, and losses are serious. The progress of collecting some new taxes is slow. In addition, there is no lessening in the momentum of increased expenditure, and subsidies of various kinds are increasing all the time.

(Cui Zhonghua), deputy director of the provincial financial department, said that the province's financial situation remains rather grim. The task of balancing the budget is difficult. In particular, there are loopholes in expenditure, and new items for increased expenditure may yet arise. The burden of grain and food subsidies is becoming more heavy, and it is estimated that another deficit may appear in the province's finances. We must therefore get a good grasp on seriously enforcing the targets for increasing revenue and economizing expenditure, implement the necessary measures, and concentrate efforts on fulfilling this year's financial tasks with all sectors cooperating.

Shaanxi's Zhang Boxing on Increasing Production
HK1608090189 Xian SHAANXI RIBAO in Chinese
2 Aug 89 p 2

["Strive To Open Up a New Situation in Integrating Military and Civilian Production—'Excerpts' of a Speech by Provincial Party Committee Secretary Zhang Boxing (1728 0514 5281) at the Provincial Work Conference on Integrating Military and Civilian Production"]

[Text] The relevant central leading departments attach great importance and lend full support to this conference on integrating military and civilian production. The

leading comrades of the State Commission of Science, Technology, the State Commission of Industry for National Defense, the State Council's Office of Industrial Streamlining Program for Inland Provinces, as well as the various departments (corporations) of the military industry, have come in person to give guidance. On behalf of the provincial party committee, I express my heartfelt thanks to all the leading comrades attending the meeting for the support given in every way by the leading departments to our province in turning military industries over to civilian needs! Now, let me air some views on three issues.

1. Enhance Our Understanding, Achieve Unity of Thinking, and More Resolutely Carry Out the Policy of Integrating Military and Civilian Production

Recently, Comrade Deng Xiaoping incisively pointed out: The line, principles, and policies since the 3d Plenary Session of the 11th CPC Central Committee will remain unchanged, and so will the principle of "one center, two basic points" laid down at the 13th Party Congress. It is necessary to uphold both the objective of quadrupling the gross value of industrial and agricultural production by the end of this century and the "trilogy" of our development strategy. The principle of integrating military and civilian production—which is an important component part of the party's line, principles, and policies since the 3d Plenary Session of the 11th CPC Central Committee, and a long-term strategic principle for implementing the party's basic line on the front of science, technology, and industry for national defense—should also be unswervingly implemented without the slightest vacillation.

The principle of integrating military and civilian production was put forward by the central authorities after making a scientific analysis of the international situation. The development of the international situation has further proved that this principle is totally correct. Since the 1970's, especially since the 1980's, peace and development have become a principal aspect in the world today. Great world powers have turned their main energy from arms expansion to economic, scientific, and technological competition; and correspondingly readjusted their military strength and national defense economy. A common feature is to set one's eyes on increasing comprehensive national strength, scramble for the high-technology field, and stimulate the growth of the economy as a whole. Given this situation, a country's national strength is determined not only by military strength, but more importantly, by economic strength and scientific and technological strength. If its economy, science, and technology are backward, it will be controlled by other countries and will be passive and vulnerable to attack. We should fully understand the great practical significance and far-reaching historical significance of the principle of integrating military and civilian production from such a high strategic plane. It is necessary to change consciously our service orientation more, quicken the strategic change, and implement in an

all-around way the principle of integrating military and civilian production. While ensuring the task of scientific research and production of military products, we should—with stronger determination, greater strength, and quicker steps—participate in economic construction and develop the production of civilian goods.

At present, the development of the world economy also calls for the all-around implementation of the principle of integrating military and civilian production and further efforts to quicken the pace of turning military industries to civilian needs. In the 1980's, economic development in the West has undergone a cyclical change: The period from 1980 to 1983 was the falling stage of this cycle, and the period from 1984 to 1988 was the rising stage of this cycle. According to forecasts by Western economists, starting in 1989 or 1990, the Western economy will probably enter the falling stage of another economic cycle, and this stage will probably last longer and cause a greater crisis. (Some other economists are opposed to this view and predict that the economy will continue to develop steadily.) The economies of the developing countries which are attached to the Western industrialized countries will obviously synchronize with the cyclical movement of the Western economy.

The economies of many countries will increasingly deteriorate and their development prospects will be gloomy. The difficulties of the developing countries exporting petroleum and primary products, in particular, will be even greater. As a great socialist state with a significant level of scientific and technological development and a substantial industrial foundation, we must draw on the lessons of the developing countries. In opening up to the outside world and conducting economic exchanges with foreign countries, we should uphold the principle of independence and self-reliance and, at the same time, make full use of the international condition to boost our economic growth. It is necessary to implement an all-directional strategy for developing economic relations with foreign countries. Not only should we develop economic relations with Western countries but we should also develop economic cooperation with socialist countries. We should also pay attention to promoting economic relations with developing countries. Naturally, in light of our practical conditions, we should base ourselves mostly on the domestic market and promote its growth. We should not rely on the purchase of foreign technology to achieve economic modernization. It is necessary to increase our capability to digest, absorb, and renovate imported advanced technology; and to use homemade advanced equipment to arm various departments of the national economy. We should not rely on the long-standing exports of primary products to accumulate foreign exchange and capital, but should use the export of labor-, knowledge-, and technology-intensive finished products to gradually replace the export of primary products. This poses a challenge to us, and offers an opportune moment to turn military industries to civilian needs. We should seize this opportunity, meet the challenge, and accomplish something in the aforesaid fields.

In the current environment of improvement and rectification, can we quicken the pace of turning military industries to civilian needs? Improvement and rectification is a positive policy for steadily developing the economy and, on the whole, is conducive to the shift of military industries to civilian needs. The readjustment of the state industrial policy has created a favorable environment for the development and production of high-starting-point, high-technology, and high-additional-value goods by military industrial enterprises. Following the slanting of all policies toward large and medium-size enterprises, the operational conditions of military industrial enterprises will gradually improve; and, by restricting and reducing ordinary items we can better concentrate our financial and material resources on faster development of military-turned-civilian industries and other key projects. With the vigorous support from the relevant central leading departments, by the end of 1988, over 80 civilian-goods technological transformation projects in our province had been incorporated into the army-civilian joint technological transformation plans at the state, ministerial, and provincial levels. Most of these projects will be completed, commissioned, and yield benefits in the next few years; thus laying a solid foundation to speed up the shift of military industries to civilian needs. Within the military industrial enterprises, there are still great potentials to be tapped. As long as we conscientiously deepen the enterprise internal reform, improve operations and management, step up the effective use of production capacity, raise labor productivity and the capital utility rate, and reduce consumption, we shall be able to create substantial economic efficiency.

In implementing the policy of integrating military and civilian production, it is necessary to give due consideration to both aspects. The vigorous development of civilian products does not in any way mean that we can relax the scientific research and production of military goods. On the question of developing military products, we should have an overall, long-term point of view and adopt a defense effect concept. We should give priority to production and scientific research of military products, and ensure their fulfillment.

2. Bring the Shift of Military Industries to Civilian Needs Into Line With Local Economic Development Strategy and Bring Into Full Play the Leading Role of Science, Technology, and Industry for National Defense

After 30-odd years of construction, our province's defense industries have become an important base for the scientific research and production of military industries, including aeronautic, astronautic, weapons, shipping, and nuclear industries.

They boast 65 production enterprises and 28 specialized research institutes with an original value of 5.4 billion yuan in fixed assets, and a staff of over 260,000. Their scope ranks second in the country. This is our great advantage. The advantage of the military industry manifests itself not only in quantity, but more importantly, in

quality. First, the defense industry has a lot of talented people, and the technical expertise of the employee is high. Second, the defense industry has intensive technology, excellent equipment, and numerous achievements in advanced science and technology. Third, the defense industry has concentrated a number of large and medium-size key enterprises and key research institutes representing our country's standard. This is an important basis for developing our economy, science, and technology. In scrambling for the high-technology field and ushering in the new technological revolution, we should rely on these large factories and institutes. When putting forward the strategic plan to "concentrate on the development of Guanzhong and vigorously develop southern and northern Shaanxi" and the strategic principle to "lay a foundation through education and develop Shaanxi with science and technology," the provincial party committee and the provincial government have taken the advantage of science, technology, and industry for national defense into full account. The military industry should play a leading role in implementing this development strategy. As I see it, the military industry can at least play its role in the following four aspects:

First, in developing products of high technology, high additional value, and competitive capability, the military industry should serve as a "frontliner." Second, in transforming the technology of traditional industries, the military industry should serve as the "second equipment department." Third, in developing high technology industries, the military industry should serve as a "seeded player." Fourth, in supporting economic development in prefectures and counties, the military industry should serve as an important "front army."

In short, science, technology, and industry for national defense occupy a very important role in Shaanxi's economy, and undertakes a very arduous task in implementing Shaanxi's economic development strategy. The provincial party committee hopes and believes that the defense industry can acquit themselves splendidly in fulfilling this task and make a contribution commensurable with its status.

3. Give Scope to Our Political Advantage and Effectively Step Up Party Building and Ideological and Political Work

In the course of building, developing, and expanding enterprises through arduous efforts, the defense industry in our province has always attached great importance to party building, to ideological and political work, and to raising the political quality of workers and staff members. It has a fine tradition in political work. In the struggle to quell the counterrevolutionary rebellion and curb turmoil, the party and government leaders at all levels and the vast numbers of workers and staff members in the military industry took a firm and clear-cut

stand, and resolutely carried out the correct policy decisions of the provincial party committee and the provincial government. Under extremely difficult conditions, they maintained scientific research and production and stood fast at their work posts, thus playing an important role in stabilizing the situation in Xian as well as in the whole province. This proves that the political quality of the party, cadre, and employee ranks in the military industry is good.

At present, a task of prime importance in ideological and political work is to study, publicize, and implement the spirit of the fourth plenary session; and to use the spirit of the plenum to arm the vast numbers of party members, cadres, and masses ideologically. Through an in-depth study of Comrade Xiaoping's speech and the documents of the fourth plenary session, we should solve some problems of thinking and understanding with a clear objective in mind. We should guide the workers and staff members in making clear the nature and source of this struggle, the correctness of the measures taken by the party Central Committee, the seriousness of Comrade Zhao Ziyang's mistakes, and the important role played by revolutionaries of the older generation in this struggle.

It is necessary to clarify some facts, distinguish between right and wrong, dispel misunderstanding, and make a good turn. On the basis of enhancing ideological understanding, we should expose and inform against an extremely small number of people who created disturbances with ulterior motives. As for some workers who joined in demonstrations and shouted improper slogans because they were unaware of the truth, they are different in principle with the extremely small number of people attempting intrigue. We should encourage them to enhance their understanding and draw lessons.

In view of the lesson of not having consistently upheld the four cardinal principles for a long time nor resolutely and thoroughly opposing bourgeois liberalization, it is especially necessary to step up publicity and education of the four cardinal principles. This is a great policy of fundamental significance in ideological development, and should be grasped meticulously with insight. After presiding over the central work, Comrade Zhao Ziyang deviated from the four cardinal principles, and abetted and encouraged the spread of the ideological trend of bourgeois liberalization which led to turmoil and the counterrevolutionary rebellion and brought enormous losses to our party and state. It is necessary to expose and objectively criticize his errors to raise our consciousness

in adhering to the four cardinal principles and in taking a clear-cut stand against bourgeois liberalization. In opposing bourgeois liberalization in the economic field, it is necessary to distinguish Comrade Zhao Ziyang's erroneous views with the correct economic policies of the party and state. Meanwhile, we should conduct in-depth education in patriotism, socialism, independence, and hard struggle among the vast numbers of workers and staff members; oppose ultra-individualism, money worship, the idea of worshiping foreign things, and fawning on foreign powers and various decadent and degenerated tendencies; and take effective measures to strengthen the building of socialist spiritual civilization.

We should make further efforts to step up party building, and bring into play the role of enterprise party organizations as fighting bastions, their role in ensuring the implementation of party policies, and the exemplary vanguard role of party members, because this is a central link in promoting the building of the two civilizations. We should use the spirit of the fourth plenary session, Comrade Xiaoping's important speech, the basic knowledge about the party, and basic Marxist theory to step up ideological education among party members and strive to make a success of the party's ideological building.

This is a very favorable moment in strengthening ideological and political work. We must take advantage of this opportunity to make a success of ideological and political work in enterprises.

It is necessary to rely wholeheartedly on the working class. In the years of revolutionary wars and the period of socialist transformation, there was a question of whom to rely on. This question likewise exists during the reform and the four modernization program. If we fail to make clear this issue, we are bound to make mistakes. For some time, Comrade Zhao Ziyang has intentionally played down the status and role of the working class. This has greatly stifled and dampened the spirit of the working class as the master of the country. This situation must be changed. Party and government leaders at all levels must solidly foster the idea of wholeheartedly relying on the working class and establish the status of the working class as the master of enterprises. The "Enterprise Law" should be upheld, and there should be no vacillation in implementing the factory director responsibility system. But factory directors must promote democracy and follow the mass line. In keeping with the provisions of the "Enterprise Law," it is necessary to recruit worker's participation in enterprise management and bring into full play the role of trade unions and workers' congresses.

Article Criticizes Taiwan's 'Elastic Diplomacy'
OW1508145289 Beijing BEIJING REVIEW in English
No 33, 14-20 Aug 89, p 10

[Article by unidentified RENMIN RIBAO commentator: "'Dual Recognition' Will Get Nowhere"]

[Text] Grenada on July 19 announced the establishment of so-called "diplomatic relations" with China's Taiwan in violation of the basis and principles set down in the communique on the establishment of diplomatic relations between China and Grenada in 1985, creating a serious situation of so called "dual recognition." This cannot but arouse our grave concern.

This incident is a serious step taken by the Taiwan authorities to promote their much publicized, so-called "elastic diplomacy" in defiance of the strong will of the Chinese people on both sides of the Taiwan Straits for the peaceful unification of their motherland.

Recently, the so-called "elastic diplomacy" and "dual recognition" theories have been gaining momentum in Taiwan. Some people openly declare that Taiwan should set up "official relations" with countries that have diplomatic relations with China.

This "elastic diplomacy," in fact, is a means for the Taiwan authorities to escape from the dead end of their extreme international isolation by creating "two Chinas" or "one China, one Taiwan." "Dual recognition" is just one of the applications of "elastic diplomacy."

Although time and again paying lip service to the principle of there being but one China, the Taiwan authorities, in order to achieve their own selfish ends, have damaged China's national interests by obstructing the reunification of China and attempting to create "two Chinas" or "one China, one Taiwan" in the international arena. They attempt to use their economic power as a lever to reach their ulterior goal. This will meet opposition from all Chinese both at home and abroad who are in favour of the peaceful reunification of their motherland. People will never allow this separatist attempt to succeed.

The Chinese government's stand on the Taiwan question has been quite clear: there is only one China; the Government of the People's Republic of China is the sole legitimate government representing the whole of China; and Taiwan is an inalienable part of Chinese territory. One of the important principles guiding the establishment of diplomatic relations between China and other countries is that the other side must recognize China's stance on the Taiwan question. Therefore, any violation of this principle by any country that has set up diplomatic relations with China is tantamount to a violation of the basis on which the two countries established their diplomatic relations, and will lead to the creation of "two Chinas" or "one China, one Taiwan," which amounts to a serious violation of China's sovereignty and will be resolutely opposed by the Chinese people.

We are glad to see that the majority of countries that have established diplomatic relations with China understand, respect and support China's just position on the Taiwan issue. We appreciate this. The Chinese people will eventually achieve the reunification of their motherland. This is a trend too powerful to be resisted by any force. As a Chinese saying goes, whosoever understands the times is a great man. We hope the Grenada government will cherish the friendship between the Chinese and Grenada people and, proceeding from the long-term interests of bilateral relations, redress as soon as possible its mistake in establishing diplomatic relations with Taiwan.

We are convinced that the world's people can see clearly the "dual recognition" plot between the Taiwan authorities and Grenada. And the Taiwan authorities' attempt to create "two Chinas" or "one China, one Taiwan" through this will get nowhere.

On the Taiwan issue, we advocate peaceful reunification and "one country, two systems." We have no objection to non-governmental trade and economic exchanges between China's Taiwan region and the countries that have diplomatic relations with China. However, we are firmly opposed to the establishment of official and diplomatic relations between Taiwan and these countries, because doing so will not only harm the friendly relations between China and the other countries but also will exert an adverse influence on world peace and stability. We hope that the Taiwan authorities will take into account the Chinese nation's interests and the overall situation, stop activities detrimental to reunification and make efforts with us to achieve it peacefully.

Premier Says Economics To Widen Diplomacy
OW1608003189 Taipei CNA in English
1541 GMT 15 Aug 89

[Text] Taipei, Aug. 15 (CNA)—The Republic of China [ROC] will continue to use its economic strength to widen its diplomatic horizons, Premier Li Huan said Tuesday.

Li told Foreign Ministry officials during an afternoon visit that the nation should increase its trade and economic links with socialist countries.

To facilitate such work, he said, the Foreign Ministry should employ more personnel with economic and trade experience.

"We should strengthen existing ties with those countries with whom we have diplomatic relations and, at the same time, expand substantive ties with those countries which currently have no diplomatic relations with us," he said.

The ROC's recent diplomatic breakthrough with Grenada has provided a good example of how bilateral relations with countries having no diplomatic ties with the ROC can be upgraded, the premier added.

To expand its involvement in international affairs, the ROC will actively seek to join world organizations, whether they are political, economic, trade, or sports organizations, Li said. The government will also fully support the private sector in their international activities.

To foil Communist China's attempt to isolate the country diplomatically, the nation will expand its foreign relations on all fronts with dexterity, pragmatism and flexibility. This will ensure that the nation's long-term goal of survival will not be undermined, he stressed.

Commentary Questions PRC Claim of Representation
OW1608073689 Taipei International
Service in English 0200 GMT 12 Aug 89

[Station commentary: "Who Do the Chinese Communists Represent?"]

[Text] When the Caribbean island nation of Grenada decided to establish diplomatic relations with the Republic of China on Taiwan without breaking relations with Communist China, it set a precedent, and also took the risk that Peking would not accept Grenada's dual recognition of the two sides of the Taiwan Strait.

Indeed, Peking did not accept the arrangement, and promptly severed relations with Grenada to demonstrate its displeasure. But Grenada hung tough, and did not budge on her decision to recognize Taipei at any cost.

The precedent of dual recognition which Grenada was willing to set, but which Peking decided not to accept, changes the rules of the zero-sum game of Chinese recognition. Will Grenada be the first nation to show that it places more value on its relations with Taipei than with Peking?

Maybe so. Because other rules of the game have gradually been changing as well.

In the 1950's, 1960's, and 1970's, it was fashionable for most countries to break relations with Taipei so as to establish the same with the Chinese Communist regime in Peking. The U.S. summed it all up in 1979 when it claimed that it was no longer feasible to "ignore the existence of the 1 billion people in Mainland China."

Standing on its own, this logic makes total sense. But in the context of Chinese affairs or otherwise, it hardly made sense to quit ignoring one reality—the people in Mainland China—and begin ignoring another reality—the 20 million Chinese on Taiwan.

This switch in recognition of realities was repeated over and over, obviously at Taipei's expense and Peking's gain.

Nowadays, however, foreign nations are not taking such a black and white view of the division of China. Some, like Grenada, appear willing to accept dual recognition as a temporary solution, until such time China is reunified. They want to have their mainland cake, but eat the Taiwan one as well. In a major change of heart, and policy, Taipei has decided it would live with this arrangement so long as the other nations understood it was temporary.

The trend toward dual recognition not only received a boost from Taipei's more flexible policy, but also from Peking's recent fall from grace in international affairs.

Let us explain. In the past, foreign nations said they had to recognize the Chinese Communist regime because they could not ignore the existence of 1 billion people. Fair enough.

But now, in the wake of Peking's massacre of innocent civilians in Tienanmen Square on June 4th, foreign governments are rethinking their policies. Simply stated, they are beginning to doubt that the Chinese Communist regime truly represents the 1 billion Chinese on the mainland.

What regime claiming to represent the people would gun down the people in cold blood? And how would that regime expect not to be censured by other nations?

With the reality setting in that the repressive and murderous Chinese Communist regime does not represent 1 billion Chinese, it may be likely that more foreign governments will follow Grenada's lead and warm up to establishing official relations with Taipei.

Commentary Views Beijing Students' Return to Work
OW1608072789 Taipei International Service
in English 0200 GMT 14 Aug 89

[Station commentary: "Back to School in Peking"]

[Text] Going back to school in Peking took on several new dimensions this week. For starters, school is starting early this year for college students to make up for time lost during last spring's student demonstrations in Tienanmen Square. The protests and occupation of the square began in April and lasted until June 4th, when the Chinese Communist regime decided that it had had enough of student demands for democracy and freedom and brutally crushed the students, literally massacring thousands.

The second new dimension is that which has turned college campuses into gulags. New security measures and new prohibitions on student political activity have effectively rendered the campuses impotent. Most of the campuses in Peking remain under heavy guard and have been infiltrated by Communist moles, who will monitor the students' every move.

At least one campus has totally banned all unauthorized student activity, including speeches and putting up big character posters, a traditional form of expression in Mainland China among students.

Worse yet, students are required to attend political study sessions, in which they are brainwashed with the Communist regime's account of the Tienanmen massacre and asked to stay in line with the current Communist Party line.

Naturally, what the Communists hope to forestall is another round of student prodemocracy fervor like that led to the turmoil in June.

The KWANGMING DAILY [GUANGMING RIBAO] newspaper, which is widely read by mainland intellectuals, posted an editorial on August 10th that said major Peking universities would be opening soon, and that the Communist Party had already taken measures to assure that the students would be "properly educated on thought and politics."

That bit of Orwellian demagoguery has been met with sneers and even jokes by many students, who say they endure the political sessions because they have no choice. The UNITED PRESS INTERNATIONAL

reported from Peking on Friday that many student make jokes of the party line, and come no where near believing it. The students express deep disdain and contempt for the sessions.

The mainland of China remains under the tight grip of a Communist crackdown on dissent. The crackdown came on the heels of the bloody Tienanmen massacre in Peking, and campus and social unrest throughout the mainland in May and June. Many of the student leaders have already been rounded up and detained, and some have been executed. Others have been luckier—having escaped the mainland through an underground railroad to Hong Kong.

For now, back to school practically means back to the gulag. It is still too early to tell whether the Communists' heavy-handed treatment of the students will lead to another backlash of discontent, and potential protests and unrest. It is difficult to conceive that the students will be able to throw off the Orwellian Communist yoke. On the other hand, the Communist Party is a dying creature, using oppression to holdout on its own extinction from Mainland China. Under such circumstances, it is not unreasonable to expect the unexpected from mainland students.

Increased Indirect Mainland Trade Forecast
OW1608003089 Taipei CNA in English
1545 GMT 15 Aug 89

[Text] Taipei, Aug. 15 (CNA)—Indirect trade between the two sides of the Taiwan Strait is expected to reach more than \$3 billion in 1989 and to grow even more in the future, a spokesman for a Taipei research body said Tuesday.

Kao Chang, deputy director of the Chunghwa Institution for Economic Research's Chinese Mainland Research Department, told a group of visiting mainland scholars that indirect economic activities between Taiwan and the mainland seemed to [words indistinct] recently after a cooling-off period following the June 4 Tienanmen massacre.

Indirect trade soared from 1978's \$47.1 million to 1988's \$2.72 billion, a growth of 69 times within 10 years, or 67.5 percent each year, Kao said.

Annual growth rate in indirect trade between the two sides was 10 percent for the first half of this [word indistinct], Kao added.

Kao asserted that across the Taiwan Strait commercial activities were accelerated two years ago when the Republic of China Government adopted measures such as permitting indirect trade, especially [word indistinct] from the mainland, of agro-industrial raw materials, and allowing local entrepreneurs to invest indirectly on the mainland.

During the past [word indistinct] years, the accumulated surplus in favour of Taiwan totalled \$5.15 billion, Kao said.

Favorable Trade Balance Achieved With Hungary
OW1608003289 Taipei CNA in English
1455 GMT 15 Aug 89

[Text] Vienna, Aug. 15 (CNA)—Two-way trade between the Republic of China [ROC] and Hungary in the first six months of 1989 amounted to \$11.4 million, with the ROC enjoying a considerable favorable trade balance.

Statistics released by the Hungarian Trade Ministry indicate that during the first half of this year, Hungarian exports to the ROC amounted to \$4. [figure as received] million, compared with \$1.9 million during the same period of 1988.

Hungarian imports reached \$7.1 million in the January-June period, showing an increase of almost 70 percent over the total of \$4.2 million of the like period of last year.

According to Hungarian Trade Ministry, two-way trade is expected to exceed \$30 million this year. This amount may not be that high, but the dynamic growth makes it significant.

Pharmaceutical products and goose feathers accounted for the bulk share of Hungarian exports to Taiwan. In the first half of 1989, pharmaceutical products accounted for 30 percent, and goose feathers for 23 percent of Hungarian exports to the ROC. Besides these items, the Hungarian firms also sold steel products, synthetic materials, and textile products to Taiwan.

As for Hungarian imports, 60 percent consisted of electronic components and instruments. The remaining imports were pharmaceutical basic materials, textiles, and sports clothing articles.

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